Daily Report

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Foreign Ministry Regrets EEC 'Troika' Failure

AU0508185291 Tirana Radio Tirana Network in Albanian 1800 GMT 5 Aug 91

[Text] Answering journalists' questions at his regular Monday news conference, Foreign Ministry Spokesman Shaban Murati stated that Albania will send military observers for the first time to military maneuvers to be held in Germany in September, a right stemming from CSCE membership.

Asked about the failure of the EEC's mission to Yugoslavia, the Foreign Ministry spokesman said: We express our regret at the failure of the mission of the troika of EEC foreign ministers to Yugoslavia. This shows the urgent need for new international efforts to solve the Yugoslav crisis. As we have stated, Albania is in favor of a solution to this crisis through dialogue involving all the peoples in the country in talks on the future shape of Yugoslavia. What has happened also shows that forces exist in the country that are interested in an exacerbation of the crisis to realize their ends. Our view is that a fair and genuine solution of the Yugoslav crisis demands the devotion of proper attention to what is happening in Kosovo, where the incitement of conflict between Serbs and Albanians could have unforeseeable consequences within and beyond Yugoslavia.

Theft of U.S. Aid Denied; Amnesty Bill Debated

AU0508192791 Tirana Radio Tirana Network in Albanian 1800 GMT 5 Aug 91

[Timo Luto report from People's Assembly]

[Text] The People's Assembly continued its proceedings this afternoon at 1830 with a discussion of the bill on the amnesty for political prisoners.

Before the debate started, Deputy Agim Mero took the floor, issuing an explanation in connection with the article in the newspaper PASQYRA of 2 July [as heard], in which he is accused, with the help of his driver, of appropriating humanitarian aid sent by the United States and unloaded at Rinas Airport. He made it clear that the parcels transported in his car belonged to representative of the U.S. Embassy [words indistinct], in the absence of a car, and the goods were taken to the Dajti Hotel. He asked for this to be checked, and if it is proved that he has done any such thing, he is ready to submit his resignation as a minister and to be stripped of his mandate as deputy. If it is proved to the contrary, the journalist must be held accountable and the newspaper PASQYRA must issue a public denial.

The debate then began, in which the first to speak was Deputy Roland Tafili, who emphasized the necessity to demonstrate the innocence of political prisoners and supported the proposal of Deputy Driton Shehu for the construction of an obelisk in Tirana dedicated to the victims of dictatorship.

Deputies Ligor Balla, (?Mehdi Shabani), Enver Baska, and Naim Kariqi then spoke and in general stressed the necessity of amnesty for prisoners and a need to rehabilitate them economically, as well as the need for amnesty for ordinary convicts. Nevertheless, there was some speculation in their speeches. Deputy Dritero Agolli spoke from his seat and supported Naim Kariqi's proposal to also extend amnesty to those 1,000 prisoners still incarcerated. Deputy Baki Shehu proposed that convicted soldiers, besides benefiting from the amnesty, should also enjoy their rights according to their military status. He also proposed that agreements should be reached with countries to which refugee soldiers have fled for the return of these soldiers, who will not be punished. Deputy [name indistinct] demanded that there be amnesty not only for the living but for the dead, and the real culprits should take the places of those who are granted amnesty.

The Assembly is continuing its proceedings.

Popov on Price Rises, Kostov on Inflation

AU0508195191 Sofia BTA in English 1931 GMT 5 Aug 91

[Text] Sofia, August 5 (BTA)—The anti-inflation measures decree the government issued today becomes operative as of tomorrow.

This evening the National Television aired Prime Minister Dimitur Popov's address in connection with the sharp rise in prices and the anti-inflation measurements the government took. The government needs the support of the population, the business executives and the political forces, the prime minister stressed. It's not the proper time for strikes and quick profits, he said.

A working group of the International Monetary Fund is visiting this country again to audit the fulfillment of the programme stated in the Bulgarian letter of intent. Its conclusions will become known on Wednesday.

In a radio broadcast today Finance Minister Ivan Kostov denied the allegations made in the "24 Chasa" paper that he had applied for a loan of 4,000 million leva at the National Bank. According to the minister of finance this announcement is a continuation of the attack the socialist press has launched against the anti-inflation policy of the government. The state can finance the budget deficit in different ways, foreign sources included, Mr. Kostov underlined.

Prof. Todor Vulchev, governor of the National Bank of Bulgaria, told BTA that the sky-rocketing rise in prices is absolutely unjustified. The National Bank will render assistance to the last moment in stabilizing the prices, Prof. Vulchev stated.

Government Decision on Foodstuff Price Ceilings

AU0508195491 Sofia BTA in English 1847 GMT 5 Aug 91

[Text] Sofia, August 5 (BTA)—Today the government issued a decree setting ceiling prices for essential food, such as wheat, meat, meat products, milk and dairy products. The issuing of the decree was prompted by the surge in the retail prices of paste goods, meat and milk products.

According to Mr. Boris Spirov, minister of agriculture and the food industry, after this substantial increase in staple food prices, half of the Bulgarians will find themselves below the poverty line.

By setting ceiling prices the government tries to keep a balance between the interests of producers, who are secured 8 to 20 per cent profitability, and those of consumers, who will have to put up with a 5.9 per cent rise in inflation which has already gone up by 15.7 per cent since April.

Due to what Mr. Spirov sees as speculative prices, only 700,000 tonnes of the necessary minimum of 2.5 million tonnes of wheat have been delivered to the state reserve. The state will respond by continuing to apply the existing system of concessions granted to "fair play", producers and by imports to replenish the state reserve.

Nomenklatura Said Involved With Britain's Maxwell

AU0608074691 Sofia FAKS in Bulgarian 30 Jul 91 p 1

[Yanko Bonev report: "The Names of Lukanov, Doynov, and Maxwell Are Involved in the Affair of the Bistritsa Residence"]

[Text] The government has decided to open the black box of the latest socialist business transaction.

Mr. Robert Maxwell, the British businessman of Czech origin who is rather well known in both Eastern Europe and the Soviet Union, has purchased the right to use the former luxurious residence of the Bulgarian National Agrarian Union in the village of Bistritsa, near Sofia, for the next 50 years for the modest amount of 6 million leva.

This business transaction prompted numerous questions. The name of Ognyan Doynov, who is currently acting as Mr. Maxwell's adviser, is involved. The deal was concluded at the time of Mr. Andrey Lukanov's government, but rumor says that it was planned well in advance.

Well-informed circles are convinced that this is a pure political business transaction. The Bulgarian Socialist Party [BSP], to which ex-Prime Minister Lukanov belongs, has benefited from it, and Mr. Maxwell who is well-disposed toward this party also profited highly from the deal since he got hold of a building that is worth much more money. Maxwell is earning an annual profit that highly exceeds the purchasing amount from the business college that is now installed in the former residence.

At yesterday's meeting the government decided to clarify the circumstances related to the signing of the contract with Mr. Maxwell. Mr. Popov (62) and his cabinet will insist on the cancellation of the contract, which is damaging the country's economic situation.

BTA Roundup of 5 Aug Political Events

AU0508173491 Sofia BTA in English 1632 GMT 5 Aug 91

[Text] Sofia, August 5 (BTA)—The Bulgarian parliament opened its debates on the local self-government bill and the second-reading debate on the election bill. This week the National Assembly will probably concentrate only on the package of election bills to ensure the holding of elections on September 29.

An MP of the Bulgarian Social Democratic Party (BSDP) demanded that other bills be debated as well. He

was especially insistent on the privatization bill which, he said, "has been shelved for four months now."

The delay in the passage of the privatization bill is said to be one of the reasons for bogging down the economic reform. Yesterday Deputy Prime Minister Dimitur Ludzhev (of the Union of Democratic Forces) announced a forthcoming "shock privatization." Today the government adopted a decree on its anti-inflation programme.

The Bulgarian Business Block (BBB) praised the government for the progress of the economic reform. The BBB, which has obviously found no partners, will run in the elections by itself, hoping to overcome the 4 percent barrier. The BBB opposes the current tax policy which "strangles production." To which Mr. Ivan Kostov, minister of finance, answered that there are few countries with lower taxation than that in Bulgaria.

After the government took on the burden of Bulgarian Railways' debt which exceeds 604 million leva, the railmen called off the strike on which they were to go on today. On the other hand the employees of the Sofia Public Library went on strike, their conflict is with the City Council.

SDS, Green Party News Conferences Reported

AU0508180791 Sofia Khorizont Radio Network in Bulgarian 1445 GMT 5 Aug 91

[Aglaya Shamlieva report on news conferences of the Union of Democratic Forces Coordinating Council and of the Green Party held in Sofia on 5 August]

[Excerpts] At today's session the Coordinating Council of the Union of Democratic Forces [SDS] is reportedly drawing its conclusions from the previous election campaign and mapping out its tactics for the forthcoming one. For understandable reasons journalists did not attend the session at which the decisions were discussed.

Nevertheless, it became known that the SDS does not intend to engage in personal attacks during the election campaign, that the election struggle should be a struggle of ideas and platforms.

The organizational questions were described as follows: This morning an initiative committee of the Green Party applied for observer status and was granted it.

The SDS Coordinating Council is puzzled by the new Electoral Law and by its instructions, which are so restrictive that it is likely to paralyze any form of peaceful protest. This is either an act of negligence or of premeditated intention, the Coordinating Council says.

As far as the situation in Yugoslavia is concerned, the SDS is disturbed by the refusal to seek a solution. The SDS will insist on regional openness in the Balkans.

Regarding an agreement between the USSR and Bulgarian Defense Ministries, which also applies to defense treaties with other countries, all these issues should be postponed until after the elections.

The SDS Coordinating Council submitted a request to President Zhelyu Zhelev that he should postpone all new ambassadorial appointments until after the elections. [passage omitted]

As usual for Mondays, large groups of journalists are leaving the SDS headquarters on Rakovski Street together and are walking in animated discussion toward the Sofia Press Agency headquarters where the Green Party news conference is about to begin. Recently we used to remark jokingly that if you wish to learn what happened at the SDS Coordinating Council meeting you had to attend the Green Party news coference. This is no longer true, the membership of the Green Party being frozen. Nevertheless, this does not make the attacks and the war of news briefings less violent.

Aleksandur Karakachanov made the following statement at the news conference of the Green Party: It is our goal to establish a united SDS. We are ready to discuss the form of unification, all sorts of compromises, and to analyze what is more useful, while for the SDS-Movement the formula of unity is identical with the word unique, namely with the claim that only they should exist. Naturally, the structures of the scenario are always the same: Let us divide the structures to integrate everyone. It was not a question of creating an SDS-Movement with its own electorate, but of taking away voters from the other major parties. This applies both to the Green Party and to the Bulgarian Social Democratic Party, Karakachanov said.

What is the meaning of elections under these circumstances and how to win the elections? Considering that it is no longer a question of internal squabbles, but the country's future is at stake, Mr. Karakachanov asked the question: Who wants the victory of the Bulgarian Socialist Party [BSP]? The current actions of the SDS-Movement can only be to the benefit of the Socialists. Today the 39 SDS deputies are working exclusively for the Socialists. This was the stand of the Green Party.

Regarding the forthcoming television debate between Mr. Aleksandur Lilov and Mr. Filip Dimitrov, the Greens think that it is not normal for Mr. Filip Dimitrov, who represents only a small part of the SDS today, to participate in similar debates. It would be more appropriate if representatives of the SDS-Center and the SDS-Liberals would participate.

[Passage omitted] The SDS Coordinating Council is constantly removing and exchanging leaders. This is allegedly official, but totally illegal. The National Coordinating Council is trying to destroy the structures of the Green Party.

I asked the question about the future of the Blue Coalition to which the speakers of the Green Party answered: We are trying to keep in touch with every opposition force. The Green Party belongs to the SDS-Liberals, and

we will run for elections on our own ticket. Our voters will know what we intend to do after the elections and will not have to guess when we will hold strikes. As far as the coalition is concerned, it is true that we are looking for serious partners; politics are conducted by serious men, with serious stands. Mr. Karakachanov reiterated that he confirms the announcement in the newspapers about support for a broad coalition against the BSP. What happens to the BSP property issue, and who will fight it out? This was another journalist's question. The opposition is divided today; the BSP is silent. Even the Prosecutor's Office and the Court of Justice are hesitating. The SDS-Movement and the daily DEMOKRATSIYA, its press organ, did not support the request for the property, even the Sofia district mayors did not submit applications for the expropriation of illlegally acquired apartments, which they could have done, Karakachanov replied.

Let us cite a few more views of the Green Party: It is in favor of free financial assistance for elections, even from abroad, but the per capita expenditures for candidates should be restricted.

We asked whether a joint social democratic and liberal program should be considered an absurdity. Absurdities already exist, such as the program presented by the SDS-Movement, and the BSP is also a master of the absurd. Such was the reply of the Green Party spokesmen.

What about a grand coalition? The Liberals and Social Democrats will not have a joint platform. However, if it should be formed nevetheless, why not conduct a joint campaign and use the same electoral clubs? We will just cooperate. Green Party members would not willingly participate in a coalition government with Mr. Dertliev; nevertheless, we could cooperate.

It was reiterated on several occasions that Green Party is very actively and seriously working for its own election structures.

SDS Addresses Foreign Policy

AU0508185591 Sofia BTA in English 1656 GMT 5 Aug 91

[Text] Sofia, August 5 (BTA)—The National Coordinating Council of the Union of Democratic Forces (UDF [SDS]) holds the view that the signing of agreements between the defence ministries of Bulgaria and the Soviet Union should be postponed till after the elections, Mr. Filip Dimitrov, UDF leader, said at the UDF regular briefing today.

In connection with the future of the Bulgarian Army which is entirely equipped with Soviet-made weaponry, Mr. Valentin Stoyanov, spokesman for the president, said on Friday that an agreement would be signed between the Bulgarian and the Soviet ministries of defence without specifying the date.

The UDF leadership insists that all other Bulgarian institutions concerned with the country's national defence should also put off the signing of any documents with the Soviet Union and with other countries till after the elections. Mr. Dimitrov explained that this kind of "moratorium" is necessary as now a detailed concept of Bulgaria's national security and foreign policy is being worked out.

The UDF leadership requests, as Mr. Dimitrov put it, President Zhelyu Zhelev to put off the appointment of heads of Bulgarian diplomatic missions abroad till after the elections. According to Mr. Vladimir Filipov, UDF foreign policy expert, arrangements are being made for the appointment of about 20 ambassadors. "We should stress that about 90 per cent of the foreign ministry leadership has not been changed," Mr. Filipov told BTA.

Mr. Dimitrov added that the UDF had drafted a new Bulgarian-Soviet Treaty.

Dimitrov Concerned About SFRY

AU0508185691 Sofia BTA in English 1701 GMT 5 Aug 91

[Text] Sofia, August 5 (BTA)—Today Mr. Filip Dimitrov, leader of the Union of Democratic Forces (UDF [SDS]), expressed his concern over the bloodshed in Yugoslavia.

"I am worried that the bloodshed in Yugoslavia may slip out of control," Mr. Dimitrov told the press after a meeting of the UDF Coordinating Council at which the issue was discussed. The concern stems from the fact that Yugoslavia rejects any help from international institutions.

"The UDF defends the thesis of the so-called "regional openness, i.e. solving regional conflicts with external help," Mr. Dimitrov had said earlier, at the time of the first armed clashes in Yugoslavia.

Program Declaration of BZNS-United Published

AU0508123591 Sofia ZEMEDELSKO ZNAME in Bulgarian 29 Jul p 2

["Program Declaration (Program) of Bulgarian National Agrarian Union-United, BZNS-United," adopted at unification conference in Sofia on 27 July]

[Text] The Bulgarian National Agrarian Union-United [BZNS-United] is a political and public organization whose main aim is the prosperity and moral and intellectual improvement of every Bulgarian citizen and of the nation as a whole. It is the standard-bearer of the Bulgarian spirit, the fighting traditions of the Agrarian Union, and the unchanging values of the agrarian doctrine; it is an original Bulgarian movement, wide open to the achievements of human civilization. The union sees its present and future as a popular political force of the European type.

The BZNS-United recognizes private property as inviolable, and regards property and labor as yardsticks for culture and progress, for the prosperity and dignity of man. It supports the creation of an affluent society of private owners—a strong economic foundation for the nation and the state. The union advocates revival of the Bulgarian's proverbial industriousness, enterprise, and inventiveness, and giving scope for individual initiative.

The BZNS-United sees the solution to the disastrous economic condition of the people in the market economy, with social guarantees, and in the country's joining the economic structures of Europe and the world.

Today, when Bulgaria is facing the most acute economic and social problem, namely bread for the people, the BZNS-United points out the only correct way to solve this problem: To accelerate the radical agrarian reform, making the peasants owners of the land, and not hired laborers! The union supports the immediate restoration of ownership of agricultural land and a revival of the true agrarian cooperative based on private property and the democratic principles of the cooperative movement. In our view, a prosperous Bulgaria must be a country with a modern agricultural industry and related food and light industries, tourism, and highly efficient ecological industrial production processes.

As a modern nationwide political organization, the union advocates protecting the interests of workers, white-collar employees, and the entire Bulgarian people. The organization of the Bulgarian Allied Agrarians will pay special attention to attracting young people to its ranks and will try to train young cadres for the union.

The BZNS-United supports clean earth, clean air, and clean rivers and sea, advocates stringent ecological legislation, and will fight to avert the ecological disaster that threatens our country.

The union supports the unity of the nation and resurrection of the moral and intellectual virtues of the Bulgarian people, revival of respect for the Bulgarian Orthodox Church, and dissemination of universal human values—faith, humanitarianism, mercy, fraternity, and love; it supports healthy morals and a strong Bulgarian family, based on love, respect, and concern for parents and children, young and old; and it advocates bringing up the young in a spirit of patriotism and love for one's native land. The union stands for civil tolerance and guarantees for the ethnical, cultural, and religious rights of the individual.

The BZNS-United regards the intelligentsia, workers of the sciences, arts, and culture, as its own sons, and will fight for the intelligentsia to take its rightful place in society.

The BZNS-United advocates the full implementation of the sacred principle of people's power—all power stems from the people and serves the people! We advocate eliminating communist totalitarianism; building a democratic political system and a parliamentary republic with stringent separation of legislative, executive, and judicial powers; developing the municipalities and local self-government; and unconditionally respecting all the international human rights of the individual.

The supreme aim of the work of the BZNS-United is to defend the sovereignty, territorial integrity, and national interests of Bulgaria. The union supports an independent and open foreign policy and understanding and cooperation with all the peoples and states in the Balkans, Europe, and throughout the world.

The BZNS-United is rising to its full height on the political stage, in order to propose and implement in practice its age-old Bulgarian ideas concerning peace and liberty, bread and popular power, in the name of the revival and prosperity of the Bulgarian nation and state.

United Agrarians Foresee Coalition Government

AU0508154091 Sofia DUMA in Bulgarian 31 Jul 91 p 1

[Milena Nikolova report]

[Text] I believe that we can have a coalition government built on the basis of a declaration signed by our union and the present opposition. This is the only way we can maintain correct relations between one another, said Tsenko Barev, secretary of the Bulgarian National Agrarian Union-United [BZNS-United], at a news conference held in the Sofia Press offices on 30 July.

Barev's idea is shared by Ivan Glushkov, who also called for a coalition government and said that the BZNS will take part in the elections on a separate ticket. He pointed out that the BZNS-United will have to win over the electorate of the Bulgarian Socialist Party in the villages and small towns. Tsenko Barev announced that it is planned to draw up an election program of limited scope, aimed at the representatives of the middle class.

The BZNS-United secretary further stressed that in October 1989 he was the first to describe the opposition as a Union of Democratic Forces.

Barev believes that it was precisely the activities of the Bulgarian liberation movement abroad that helped leaders like Trenchev, Dogan, and Khr. Subev make their appearance on the Western political stage.

KNSB's Views on Participating in Elections

AU0508154491 Sofia DUMA in Bulgarian 31 Jul 91 p 1

[Mariya Draganova report]

[Text] At a news conference held on 30 July, Professor Petkov said it is likely that the Confederation of Independent Trade Unions in Bulgaria [KNSB] will support independent candidates in the elections. We have information, he continued, that Podkrepa and Edinstvo [the

third central trade union organization] are making active preparations to participate in the elections.

The KNSB chairman ruled out the possibility of a secret alliance between the two largest trade union confederations. The "Solidarity" variant is not applicable.

We cannot burden our organizations with the task of acting as vote counters in the elections, said KNSB Deputy Chairman Diyana Damyanova. The idea is for the KNSB to participate as an observer within the framework of the Association for Fair Elections.

Podkrepa's decision to declare a strike if the legislature adopts the new labor code with a clause permitting only one collective labor agreement was described as blackmail.

Postal Bank Resumes Operation After 40 Year Gap

AU0508153491 Sofia BTA in English 1441 GMT 5 Aug 91

[Text] Sofia, August 5 (BTA)—Today the Bulgarian Postal Bank (BPB) which was closed down in 1951 "at the height" of the communist regime resumed operation. After a 40-year break it makes its start with an authorized capital of 60 million leva. According to its managers, the bank ranks eighth among the existing 70 banks.

Director Vladimir Vladimirov said that the bank is a joint-stock company formed by the Committee on Communications and Informatics and the National Palace of Culture. It will provide different types of services for individuals and companies in both Bulgarian and foreign currency.

To this end, the BPB will establish, working in partnership with the post offices (there are over 3000 of them here), its own network throughout the country. Only in two months since it was granted legal person status, the bank has managed to attract over 110 million leva and has received 6 million from interest payments, a revenue that, Mr. Vladimirov said, will ensure its financial stability.

Nationals Face Difficulties at SFRY Border

AU0608093391 Sofia DUMA in Bulgarian 1 Aug 91 p 1

[Report by unnamed Belgrade correspondent, dated 31 June]

[Text] The Yugoslav border and customs officers are causing holdups at the borders with Bulgaria, Romania, Albania, and the Soviet Union. They have put an end to the practice used until now of citizens' organizing tourist travel in groups in order to avoid the obligatory requirement that every traveler must exchange $200. As of this month, group tourist trips may be organized for a minimum of seven days.

At the same time, cases continue to be reported of theft of money and documents from evidently careless Bulgarian citizens, especially from business visitors, who carry considerable sums with them. From the beginning of this year to the present, 230 Bulgarian citizens have lost their passports or had them stolen, making it necessary for them to obtain special travel documents. The practice continues of Bulgarian citizens' failing to complete a Yugoslav customs declaration showing the amount of foreign currency they are carrying, which provides the Yugoslav authorities with grounds to seize the relevant amounts, even if they have been entered on a Bulgarian customs declaration. The fact that the Yugoslav customs officers do not compel anyone to complete a customs declaration does not imply that every traveler in Yugoslavia is not obliged to declare the money in his possession, if he does not want it to be seized at the next border post.

Dlouhy Evaluates Progress of Economic Reforms

AU0508140691 Duesseldorf HANDELSBLATT in German 5 Aug 91 p 5

["mzi" report on interview with Federal Economy Minister Vladimir Dlouhy; place and date not given: "Vladimir Dlouhy Wants To Stick to His Reform Course"]

[Text] Prague 3-4 Aug (HANDELSBLATT)—The CSFR economics minister considers the course of economic reform so far to be a success. Despite a starting position that was less favorable than that of less orthodox Communist countries such as Poland or Hungary, "we have survived," Vladimir Dlouhy said in an interview with HANDELSBLATT.

At the beginning of the "zero phase," it was possible to curb inflation from 25.8 percent in January 1991 to 2.1 percent (April), 2.0 percent (May), and 1.7 percent (July), while the currency remained stable at the same time. The reshaping of the form of ownership is progressing swiftly; a total of 6,000 units were privatized in the Czech Republic alone within the first six months. The unemployment figure remains at a relatively low level at 3.8 percent (late June). However, there are distinct regional differences, with unemployment amounting to only 2.6 percent in the Czech Republic, while in Slovakia 6.3 percent of those fit for work are without a job.

However, the economics minister is worried about the development in the area of industrial production. In the first half year, production decreased by 16.8 percent, and by even 32.3 percent in June. Even stronger drops were recorded in the construction and transport sectors. Exports to former CEMA countries fell by 30 percent; the decline was most marked in the case of the USSR, with 45 percent. Dlouhy stated that he was disappointed that despite the fact that the koruna was devalued three times last year, exports to Western countries decreased by 10 percent.

As a result of inflation, recession, and salary regulations, incomes in the CSFR decreased by 33 percent in real terms between January and May 1991. On the other hand, the fact that after a counterdevelopment at the beginning of the year, the savings quota has been growing again since April is promising. Dlouhy also assessed as positive the unexpected 21 billion korunas in budget surplus. He said that the surplus also results from the high profits that enterprises made as a result of inflation at the beginning of the year.

Minister Vladimir Dlouhy considers it to be a sign of the CSFR enterprises' good discipline that the admissible ceiling for wages was not fully used. The enterprises behaved economically and only approved such wage and salary increases that can be financed. Nevertheless, Prague wants to maintain the system of wage regulation for the third quarter of the year. "Our greatest danger continues to be inflation, which might undermine all other successes." The government has proposed that private firms and joint ventures with more than 30-percent foreign capital be excluded from the wage regulation, but that was opposed by the social partners who demanded that the wage mechanism be either generally abolished or not abolished at all. To prevent any risk, one does not want to permit any exceptions, Dlouhy noted.

The economics minister said that as far as the next reform step is concerned, more attention must be given to the level of enterprises. It is a fact that, although production continues to decrease, unemployment has remained at a moderate level and only very few enterprises declared themselves bankrupt. It is also remarkable because despite lower output, the companies' fixed costs remain the same. One of the reasons for this is that so far no bankruptcy law has been adopted.

On the other hand, a cycle of mutual lending is keeping the enterprises alive. (Unofficial sources speak of 80 billion [currency not specified] in debts at the beginning of 1991). As long as a company's claims exceed its own debts with other enterprises, one cannot yet speak of insolvency in the classical sense.

Dlouhy on Development Bank's Evaluation of Reforms

AU0508185091 Prague LIDOVE NOVINY in Czech 1 Aug 91 p 2

[Interview with Federal Economy Minister Vladimir Dlouhy by Petr Husak; place and date not given: "Best Marks to Economic Reform"]

[Text] On 30 July, Economy Minister Vladimir Dlouhy and State Bank Chairman Josef Tosovsky returned from their lightning visit to London. They traveled to the British capital on the invitation of Jacques Atalli, chairman of the Bank For Reconstruction and Development (BERD), to give their opinion on the bank's study evaluating the first steps of Czechoslovak economic reform.

[Husak] Minister, how does the study assess the first steps of reform?

[Dlouhy] Very well. Price liberalization received high marks—despite the fact that we have implemented it in a monopolistic milieu—and so did the convertibility of the koruna, the courage with which we devalued our currency, and the macroeconomic discipline through which we were able to curb inflation. However, not everything is that rosy. For instance, the bank lacks enough information on how the coupon privatization will be secured from the technical point of view.

[Husak] Even "big bankers" praise us for how we have done away with inflation during the transition to a market economy. In Poland, too, during a certain stage of reform, it seemed that inflation was beaten, yet an incredible turnabout came later on....

[Dlouhy] Among Polish economists you can find some who believe that the increase in inflation was due to other than economic reasons—that it was due to elections. However, most important, Poles have never had as strong a macroeconomic discipline as we do. Polish enterprises, under the stronger pressure of trade unions than our enterprises, were still paying salaries even if they were in a difficult situation. On the other hand, it is true that in Czechoslovakia there is an emerging group of enterprises that are starting to behave in a similar way. Despite this, I do not believe that there is a great danger of significant inflation. Some of our economists think that a stronger inflationary pressure can arise from an increase in prices of agricultural products. Maybe, prices will go somewhat up. However, I am of the opinion that the market will simply not accept exorbitant prices.

[Husak] I have not noticed any enterprises going bankrupt because they did not have money for wages....

[Dlouhy] I do not want to express my opinion on this issue without preparation. This is a phenomenon that we must analyze more thoroughly, and I believe that the government and an economic team should give their opinions on it after a thorough analysis. Really, there is something wrong here. On the one hand we are witnessing a big drop in industrial production approaching 16 to 17 percent and, on the other, the number of bankruptcies is very low. Production and sales drop, yet enterprises are still keeping their employees and paying salaries.

[Husak] Some politicians and economists point out that the Bank for Reconstruction and Development is fighting various "childhood diseases"....

[Dlouhy] We, too, have our objections to the way the bank works. However, the bank was established not so long ago, in April. Its importance is not negligible. Czechoslovakia can expect help financing privatization programs, changes to the banking system, and the implementation of important power production programs.

Food Export Regulations Liberalized Further

AU0508181391 Bratislava NARODNA OBRODA in Slovak 3 Aug 91 p 2

[CTK report: "Lower Fees"]

[Text] Prague— The export of domestically manufactured food and food industry products will be further liberalized as of 5 August on the basis of demands from the [Czech and Slovak] republic ministries of trade and tourism and in view of the situation on the domestic market. The administrative fee for the export permit will be reduced from 150 percent to 20 percent of the value of the exported goods. Exempt from this measure are food products serving the meeting of the needs of Czechoslovak citizens during their travel and stay abroad. Their quantity must be adequate to this purpose. No export permit will be required, and no administrative fee will be collected in this case.

The export of food products of foreign origin, that is, of food products that had been imported to the CSFR, continues to be linked to the issuance of an export permit by the respective customs office and to the payment of the 150 percent administrative fee.

Federal Government To Subsidize Meat Exporters

AU0508181191 Bratislava PRAVDA in Slovak 3 Aug 91 p 2

[CTK report: "13 Korunas for (Export) Meat"]

[Text] Prague— The Federal Government will subsidize the procurement of meat for export; the subsidy will amount to 13 korunas per kilogram. This was announced by Miroslav Adamec, CSFR deputy minister of economy, at a news conference in Prague yesterday. He stressed that this subsidy will be granted only to organizations that will secure the export of the meat. The procurement of dairy products for Federal Material Reserves ought to be regulated along similar lines. However, this will only concern butter and powdered milk. Other dairy products may be subsidized from the budgets of the governments of the republics. The milk procurement price should not exceed 5.40 korunas per liter. At the same time, the Federal Government is not ready to admit that the domestic market is not adequately supplied with agricultural products.

Czech, Slovak Party Officials on Party Policies

LD0608091691 Prague Federal Television Network in Czech and Slovak 2005 GMT 5 Aug 91

[Excerpts] Today we continue the "Events and Comments" bulletin with interviews with representatives of political parties and movements. Their purpose is not to unleash an election struggle, but to give the public the right to know the political parties' opinions and stances on topical problems. I welcome to the studio Pavel Hirs, central secretary of the Czechoslovak Socialist Party. Good Evening.

[Hirs] Good evening.

[Announcer] Vera Markova and her guest are ready in the Bratislava studio.

[Markova] Yes, it was the Social Democratic Party in Slovakia that was drawn last Friday. That is why its chairman, Boris Zala, is here in the Bratislava studio tonight. Good evening.

[Zala] Good evening.

[Markova] The core of your party's policy is a policy for citizens and with citizens. This means that your main attention is focused on a social-oriented policy. How does it differ from the present policy of the government?

[Zala] The main difference is that our social policy is not a concept of a social safety net. This concept contrasts

with our policy of creating equal chances for the inhabitants from various social groups, raising the living standard and providing social guarantees. Another contrast to the present concept is our conviction that the state must also bear its role and its social responsibility, because it seems to us that private enterprise will never generate sufficient care in the spheres of the social infrastructure. [passage omitted]

[Markova] As far as your economic policy is concerned, you oppose, in principle, the currently implemented concept of economic reform. Are you not afraid that precisely this fact will result in the loss of many supporters?

[Zala] We are not afraid of this. We feel that our alternative of economic reform, which in reality offers a certain alternative to the current government policy, is based on serious analyses and, furthermore, that it is based on the population's interests and desires. We want to make economic policy for the population and with the population. We want to involve in this policy other population groups. [passage omitted]

[Markova] Social democracy is in power in many European countries where a market mechanism functions. What have you in common with these parties?

[Zala] What we have in common with them is that we perceive this market mechanism as a mechanism oriented in social and market issues, issues supported by all Western European social democratic parties. In this connection, it should be said that the Western Europe that was the subject of our frequent longings in the past is not the Western Europe formed jointly by social democracies that always place great emphasis on the social responsibility of all society for everyone. [passage omitted]

[Markova] Thank you for the interview and for your visit to our studio. Now over to Prague

[Announcer] I welcome Pavel Hirs of the Czechoslovak Socialist Party to our studio. Secretary, your party is perceived as a left-wing party, and you personally agree with the label of opposition party. [passage omitted] What is your party's view on the Gabcikovo issue? I do not mean today's flooding

[Hirs] thank you for your question. It is a very topical link to a current problem. Our view regarding this issue is very simple. We have inherited a lot of bad things from the former regime that include the Gabcikovo-Nagymaros issue, and we have to tackle it. By protesting or attempting to prevent the completion of the Gabcikovo-Nagymaros construction, we will solve nothing. On the contrary, we believe that it is necessary to complete this project very sensitively, very quickly, with as few losses as possible, and take into consideration ecological factors.

This leads us to something that we consider to be of primary importance, that is, neglect of the opposition by the government or state system. A totalitarian system is marked by the fact that the opposition is prevented from expressing its view. If the opposition had been given an opportunity to express its view, and if the system had been democratic, then the Gabcikovo-Nagymaros project would never have taken place.

[Announcer] [passage omitted] Let us move on to another problem, privatization. No doubt your party has its own view on this issue?

[Hirs] I am going to omit the issue of how privatization is being carried out, the laws, and their amendments. Let us concentrate on the important thing. If we want to achieve a market economy by supporting people's private enterprise—I believe every state's economic system is based on private enterprise—then we have to embark on the process of privatization primarily by forming the rules of play, the legislative rules. I think we have neglected many things in this shere. This is shown by the fact that the law on privatization is being changed so frequently. We still do not have a law on (?co-opting) that was supposed to be adopted at the same time as the law on privatization to prevent some phenomena that have now emerged.

Our party is unequivocally in favor of private enterprise, especially in the sphere of services, trade, and small-scale enterprise. We have always held this view; the national socialists always were the party of what I would call the Czech person. We are going to support this course of action, but we do not like the way it is being implemented because it was inadequately prepared. [passage omitted]

Dubcek Expresses No Intention To Resign Post

AU0508154891 Prague CTK in English 2008 GMT 31 Jul 91

[Text] Vienna July 31 (CTK)— Austrian newspapers reported today that Czechoslovak Federal Assembly (Parliament) Chairman Alexander Dubcek told a press conference held in Salzburg before the end of his official visit to Austria that his support for Vladimir Meciar (Slovak ex-premier) is an unambiguous means towards the suppression of nationalist emotions in Slovakia.

Dubcek said the existence of nationalist trends reflects the fact that the 1969 Czechoslovak Constitution (which created a federal structure) was never in fact implemented. Slovaks want back the powers which were taken away from them by totalitarian centralism. These efforts to regain their powers must not be described as expressions of nationalism, Dubcek said.

He also denied any tension between him and President Vaclav Havel, adding that he has no intention of resigning from his post of parliament chairman.

HZDS Rejects Charge of Communist Domination

AU0508154691 Prague CTK in English 1653 GMT 31 Jul 91

[Text] Bratislava July 31 (CTK)— "We are used to being referred to by the Czechoslovak and foreign press as leaders of an 'unholy alliance of Slovak separatists and former communists'," the deputy chairman of the Movement for a Democratic Slovakia (HZDS), Milan Knazko, told a press conference here today.

Criticizing an article in "THE TIMES OF LONDON" on July 29, in which the description appeared, Knazko, the former Slovak minister for international relations who was ousted from his post last April, said that out of the 52 HZDS leadership members 80 percent had no party affiliation before joining the movement. Seven were expelled from the Communist Party of Czechoslovakia in 1970 and two withdrew in 1989, Knazko said and stressed the HZDS rejects the derogatory attitude to the former Communist Party members.

The HZDS disagrees with the way the ruling Christian Democratic Movement (KDH) carried out changes in the Slovak Government last April and with its opposition to a reshuffle of the Presidium of the Slovak National Council (Parliament), Knazko said. He added that in spite of these differences the current cooperation between the HZDS and KDH parliamentary groups in the Federal Assembly (parliament) is good.

Gabcikovo, Zak Affair Discussed at OH Briefing

AU0508125691 Prague CTK in English 1714 GMT 2 Aug 91

[Text] Prague Aug 2 (CTK)— The dispute around the unfinished Gabcikovo-Nagymaros hydroelectric project must be solved "not to become a hotbed of serious conflict which might turn into an armed conflict," the minister-chairman of the Federal Committee for the Environment, Josef Vavrousek, told journalists here today.

The only way how to settle the problem is that Czechoslovak, Hungarian, and international experts as well as local population analyze all possible variants, Vavrousek, one of the chief Civic Movement (OH) representatives, said.

The OH opposes Hungary's demand to stop the construction and annul the agreements under which the construction started. The OH also disagrees with the Slovak variant of the completion of the Gabcikovo project on the Czechoslovak side (filling of a derivation canal with water). Vavrousek plans to visit Hungary in the near future to inform Hungarian representatives of a variant of the Czechoslovak Government.

Vavrousek spoke about a compromise variant on which all sides involved might agree. The variant provides for a continuous operation of the Gabcikovo power plant instead of the planned full operation which might cause soil erosion in Hungary.

Vavrousek also criticized the fact that a single person holds parallelly the post of Slovak parliament deputy chairman and the post of a director of the enterprise which is in charge of the construction (Ivan Carnogursky, the brother of Slovak Premier Jan Carnogursky).

[Prague LIDOVE NOVINY in Czech on 3 August on page 12 carries a 250-word "dr"-signed report on the above OH briefing. According to the report, L. Kinst, member of the OH Presidium, announced that the OH will not participate in the ongoing "presentation of political parties on the television screen" because it is opposed to an early start of the election campaign. Commenting on the "Zak affair," involving Alexej Zak, the dismissed police captain who has been investigating the financial irregularities of the former Slusovice cooperative and is now "hiding" in Switzerland, Kinst said that "the OH sees the affair as an attack on present political representatives. According to the OH, it is impossible to rule out that the affair is connected with Operation Wedge," a secret plan conceived by the former secret police to divide opposition to the communist regime.]

Conflicting Views on Zak-Slusovice Reported

AU0608090291 Prague CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY in Czech 1 Aug 91 pp 1, 2

[Interview with Czech Agriculture Minister Bohumil Kubat and Czech Interior Minister Tomas Sokol by Jan Subert; place and date not given: "Slusovice and Zak—Halftime"]

[Excerpts] [passage omitted]

We Asked Minister Kubat

[Subert] Do you really have convincing reasons for your defense of Captain [Alexej] Zak [the dismissed investigator of the Slusovice affair, who is hiding in Switzerland, allegedly out of fear for his life] and, above all, for your statement that some powerful people in our country do not wish his return?

[Kubat] The traces from the Slusovice case really lead very high up. We are collecting evidence and documents, and as soon as I am able to put them on the table I will do so.

[Subert] Has there been any specific element in the developments of the last few days that suggests to you that Captain Zak can be trusted?

[Kubat] We have spoken on the telephone several times. He was also trying to reach me the very day that Prime Minister Pithart called for my resignation. He left a message to the effect that an attack is being planned against me, and that I should prepare myself for it.

[Subert] The president is taking a keen interest in the Slusovice case. Do you intend to present him with your own perspective of the current developments?

[Kubat] Certainly, if he gives me that opportunity. I would like to consult with him on steps that would make it possible for Captain Zak to return as a free man and for the investigations [of the Slusovice case] to resume .

[Subert] How are you cooperating with Minister Sokol?

[Kubat] We are virtually in daily contact. We agree on the urgent need to uncover the background to the Slusovice case. The Ministry of Interior may have underestimated the seriousness of the situation; there may have even been mutual misunderstanding. The crucial thing now is to get to the very essence of the affair. The Slusovice case is serious, literally, for the whole republic.

We Asked Minister Sokol

[Subert] Do you share Minister Kubat's view of Captain Zak?

[Sokol] Owing to my position, I know a bit more about Captain Zak and must, therefore, set right a number of his statements and stick to the facts. It is a fact that many of the would-be sensations that he has cited are not true. No policeman should appear in public with conjectures and assumptions, regardless of whether they concern ordinary citizens or leading representatives of the state.

On the other hand, I feel sorry for Zak. What he did was short-circuit conduct [zkratkovite jednani]. Fleeing the country at a time when criminal charges were filed against him was the worst thing he could possibly do. [passage omitted] He should have stayed at home, found a good defense lawyer, and pulled to pieces the raised accusations in court. [passage omitted]

[Subert] Let us now turn to the Slusovice case itself. The number of voices saying that the investigations are proceeding too slowly is growing ....

[Sokol] I do not know to what degree people realize that this is a case involving extensive economic crime. While working as a lawyer, I used to defend such cases and know a lot about them. Most important of all, everything must be foolproof; there must not be a single loophole. Otherwise the court will return the whole thing, and the effect will be zero. The Slusovice case essentially amounts to a gigantic stocktaking, with tens of thousands of documents, receipts, items, and bills of delivery having to be examined. Such investigation takes months, sometimes years.

I understand that the public is impatient and wants to know at least interim results. Unfortunately, we are not able to impart them. The police is bound by the prosecutor's consent, without which nothing may be made public. We are thus actually unable to respond to various accusations regarding our inactivity.

There is also one further problem involved here. On the one hand, we want to have a state based on the rule of law; on the other, there are a number of wrongs from the previous regime that deserve to be punished. These two points of view can very easily conflict. If we are to respect the law, our longing for absolute justice must be pushed to the sidelines. Or we can act the other way round. [passage omitted] Or let me put it in a different way. It is a pity that we did not know about the fall of the communist regime four years in advance. We would have had time to prepare our legislature for the new conditions.

Dienstbier on European Security, USSR Treaty

PM0508133591 Madrid ABC in Spanish 28 Jul 91 p 32

[Interview with Foreign Minister Jiri Dienstbier by Ana Antolin in Santander; date not given]

[Excerpt] [passage omitted] [Antolin] The West, which used to encourage you from the airwaves of Free Europe, is now closing its doors to you. Frankly speaking, has West Europe greatly disappointed you?

[Dienstbier] In the first place, we must help ourselves, although we need West Europe's assistance in two respects. We need it to secure technical assistance and train socialists [as published] and managers in all fields, because we have been confined for 40 years. We also need another kind of assistance, that is, for markets to be opened to us. We are currently negotiating association agreements, and these agreements should be carried out on an asymmetrical basis in our favor, so we can protect our market that is still very weak. But the most important assistance would be to have doors in the West opened to our exports. We are discussing these matters with both the EEC and the European Free Trade Association, and, of course, also with the United States and Canada, among other countries.

[Antolin] Do you really believe that Czechoslovakia will join NATO?

[Dienstbier] Czechoslovakia does not seek to join NATO, nor is anybody asking us to do so. In the current situation, we do not need to join NATO: We are not threatened militarily by anyone. We are trying to have security structures created within the Helsinki framework, so that our future security will be ensured. If dramatic changes in the European situation occurred, if we found ourselves threatened, then, of course, we would demand that the Atlantic alliance defend us in at least the same way as in the Kuwait situation—not that of Czechoslovakia in 1986 or Hungary in 1956.

Security in Europe

[Antolin] President Havel said at NATO headquarters that Eastern Europe's instability will threaten the whole of Europe. Is it not the impression that the West has not properly understood this?

[Dienstbier] For the past 40 years, Western Europe's security has depended on the situation in East Europe. The bipolarity achieved at Central and East Europe's expense guaranteed the West's security. Now that bipolarity has disappeared, the principle remains valid: Either we succeed in extending the area of democracy throughout Central and Eastern Europe—gradually, of course, in a long-term process—or the democracies in Central and Eastern Europe will collapse economically, populist and demagogic dictatorships will emerge in their place, and then once more Western Europe will be unable to feel secure. Nobody can feel secure when there is fighting on their borders or when states are collapsing beside them. At best, a collapse of this kind would mean an enormous wave of refugees reaching Western Europe. With this I am not referring to a situation in which the former East-West bipolarity would become a new North-South bipolarity, in which some countries of the former Eastern bloc would join the poor part of the world because the Soviet Union's entire nuclear arsenal and military machine would be at this poor world's disposal.

[Antolin] Czechoslovakia is preparing to sign a new treaty of security and cooperation with the USSR. What can it still expect from it?

[Dienstbier] Czechoslovakia views the agreements with its neighbors—not just with Germany, Poland, and Hungary (we have already signed agreements with Italy and are going to sign another with France)—as part of the entire European security system. Just as Western Europe has no interest in the East European countries entering a crisis and disintegrating, we are not interested in the countries to the east of Czechoslovakia disintegrating. It would be very dangerous for us if there were fighting to the east of our border.

Press Briefed on Israeli Arms, Home Guard Issues

AU0508181991 Bratislava NARODNA OBRODA in Slovak 3 Aug 91 p 2

[CTK report: "What Was the Matter? P. Socha Fell Victim to an Error"]

[Text] Bratislava— At a news conference by the Slovak National Democratic Movement [SNDH] on 25 July, Peter Rastislav Socha, chairman of the Association of Slovak Soldiers [ASV], spoke about the smuggling of weapons that had been manufactured in Israel to southern Slovakia and about the problem of the home guard.

Yesterday he sent CTK the following statement regarding his [25 July] remarks: "Many journalists and periodicals differed in the interpretation of my statements at the 25 July SNDH briefing. What was the matter, in fact? Literally, I said the following: 'We avail ourselves of information—and [Slovak Interior] Minister Pittner knows about it—that pistols and submachine guns, some of them even of Israeli make, are being smuggled to southern Slovakia.' In reply to a question about for whom these weapons are intended, I said: 'I cannot state with responsibility for whom, but they are obviously not for Slovaks. This concerns us.' I did not say anything else. My words were based fully on information that was available to me at the time. Today, after a lapse of time, I must add the following to my words: Unfortunately, I, too, fell victim, to a certain degree, to an error by some sources of information. The weapons in question were not of Israeli, but of Soviet origin, as Slovak Minister of Interior Pittner correctly stated.

"Attention was aroused and diverse comments were also drawn by one of my other statements at the above news conference concerning the home guard. I did not say that it should be subordinated to the Defense and Security Affairs Committee of the Slovak National Council but, rather, that it should be controlled by it. Naturally, it should be subordinated to the highest state representative of the Slovak Republic, that is, to the chairman of the Slovak National Council. Should the post of president of the Slovak Republic be established in the future, this right would naturally belong to him," ASV Chairman P. R. Socha states.

Antall, Finnish Speaker on Soviet, SFRY Issues

LD0508210191 Budapest MTI in English 1930 GMT 5 Aug 91

[Text] Budapest, August 5 (MTI)—Hungarian Prime Minister Jozsef Antall on Monday [5 August] met Ilkka Suominen, speaker of the Finnish parliament, who is on a private visit to Hungary from August 5 to 9.

The sides reviewed certain current issues of relations between the two countries. They exchanged views on the latest developments of the international and European situation, with special respect to the situation in the Soviet Union and Yugoslavia, and the talks Hungary and Finland are conducting with the Common Market. They briefed each other on the development of their relations with the Soviet Union, including the difficulties arising in Hungarian-Soviet and Finnish-Soviet foreign trade.

Antall discussed the financial issues related to the withdrawal of Soviet troops. He said the Soviet Union refuses to acknowledge Hungarian claims related to environmental and other damages caused by them during the time Soviet troops were stationed in Hungary, at the same time, she is also demanding almost 3,000 million roubles in return for the buildings she has left behind, although only a part of these can be utilized. Antall indicated the Hungarian side would accept the "zero balance" option, but this should be separated from the foreign trade debts of the Soviet Union, he said. (The Soviet debt due as a result of the Hungarian surplus built up in bilateral trade totals 1,500 million dollars.)

The sides noted the decline of Soviet exports is about the same both in Hungarian and Finnish foreign trade, and this affects the entire volume of foreign trade in both countries. Antall said the collapse of trade with the Soviet market and the former Comecon countries has cut Hungarian exports to this region by 60 per cent.

Regarding the Yugoslavian situation, Antall again stressed Hungary had consistently, from the very beginning been in support of the idea of a confederation of sovereign republics. He took the opportunity to again voice his anxiety over the psychological war being carried out by the Chetnik guerillas, resulting in the mass exodus of people. This has unforeseeable consequences, Antall said, and could also endanger the European order.

According to information received from the prime minister's press office, the Finnish guest has long-standing and good relations with the Hungarian prime minister and his party. Suominen is a leading politician of the Finnish National Coalition Party, which is the Finnish partner party of the Hungarian Democratic Forum. Both Antall and Suominen are vice-president of the European Democratic Union (EDU).

Minister Kupa on Image Abroad, Defense Budget

AU0508164991 Budapest UJ MAGYARORSZAG in Hungarian 3 Aug 91 pp 1,6

[Interview with Finance Minister Mihaly Kupa by Attila Vodros; place and date not given: "Many Hungarians Handle Money Excellently"]

[Excerpts] [passage omitted] [Vodros] When do you think people in Hungary will start to spend their accumulated savings?

[Kupa] As soon as we can present them with reassuring economic laws and rules. An example not to follow is the Start credit program. With the Start program, we have been entertaining people's doubts for months. That is inadmissible! So, when people know how far they can go and in which direction they can progress, and when inflation has been lowered, they will start to spend their savings.

[Vodros] Minister, what is your opinion about the activities for the Hungarian economic information campaign?

[Kupa] Our foreign information campaign is quite good, but it could be better—the Czechs are more clever in this domain, for example. Our local campaign is not bad—we provide continuous information, we operate as an open system, and we state our points of view rather aggressively, time and again—but we should explain our draft budget (for example) in a much better way. It would be a good idea to distribute illustrated brochures, to help everyone understand. We should deal a lot more with people, addressing wider circles. At the moment, I am currently reading reports about people who say that we are an arrogant government...! Arrogant?!

[Vodros] You meet with a lot of people. Is the intelligentsia's image of the government improving?

[Kupa] The government's image is bad. This is what people tell me, although they often add that they are not referring to me personally. However, I am not consoled because I am a member of this government, and if the government is bad, so am I. I think that most people understand and sense what it is we are trying to achieve, but together with me, they are dissatisfied with the pace of change. In any case, that is a question of psyche. If change is slow, people will say that nothing has changed. [passage omitted]

[Vodros] Minister, how would you qualify Hungary's international system of financial relations?

[Kupa] It is very good, but it is rather incoherent. We have organized relations with big, strong countries. Among the European greats, it is probably only Spain that is lagging behind, but the Spanish economics minister should be visiting Hungary in the near future, so we will settle and channel our relations. [passage omitted]

[Vodros] Minister, you cannot be accused of squandering money. However, the Army will inevitably have to receive more funds.... Will the purse have to be opened?

[Kupa] Yes, it will. However, I do not know how wide it will have to be opened because I have not seen any plans in this domain yet. Nevertheless, it is true that we have to carry out modernizations, at least until Europe's new security system is established. We need a small but well equipped Army.

[Vodros] In Tokol.... [former Soviet air base in Hungary, now plagued with ecological problems]

[Kupa] Do not even mention it! Tokol was the most shocking experience of my life. Tokol is the symbol of meaningless human destruction.

Dam Project Official on Latest CSFR Proposal

AU0508124691 Budapest MTI in English 1456 GMT 2 Aug 91

[Text] Budapest, 2 August (MTI)—Josef Vavrousek, minister of the environment of the Czech and Slovak Federal Republic, is expected to come to Budapest in the near future to address Hungarian legislators in parliament.

Vavrousek will outline Prague's position on the Gabcikovo hydroelectric power station on the river Danube.

According to press reports coming out of Prague, the minister will put Hungarian MPs in the picture about new ideas concerning the dam project.

The proposals the minister will be bringing with him, the reports say, will be less environmentally harmful, and are said to be more or less in line with Hungarian requirements.

Elemer Gilyen, head of the Hungarian Dam Project Office, told MTI that K. Sandor Keresztes, Hungary's environment minister, wishes to follow suit, and hopes to brief Slovakian lawmakers about the Hungarian position, stressing the risks of putting the Gabcikovo power plant into operation .

Hungary was informed through unofficial diplomatic channels about the new ideas the Czechoslovakians have come up with, the Hungarian official added.

Gilyen expressed the view that the new Czechoslovakian proposals really would mean a reduction in environmental hazards.

He said that under the new proposal, the Gabcikovo hydroelectric power station would not now operate to peak capacity, meaning the Czechoslovakian side sees eye to eye with the Hungarian decision to cancel construction of the Nagymaros side of the dam.

Hungarian experts say that although environmental damage will undoubtedly be less under the new plan, so will energy production, raising doubts about the economic operation of the dam.

Paper Sent 'Forged' Radio Free Europe Payroll

AU0508183791 Budapest NEPSZABADSAG in Hungarian 3 Aug 91 pp 1,6

[Csaba Konczol report: "Secret Agents in Radio Free Europe?"]

[Excerpts] In March 1990, during the campaign for the Hungarian legislative elections, a forged Radio Free Europe [RFE] payroll was sent to NEPSZABADSAG's editorial office. Whose interest could this list have served? Was it provocation in and of itself? [passage omitted]

What documents are we talking about?

We are referring to a detailed summary (several pages long and including internal code numbers, names, home telephone numbers, and account numbers) that lists all the people who received payments from RFE between 1988 and 1 March 1990, in return for unspecified activities. On 31 July, we consulted some RFE employees and a few of the people mentioned on the list; thus, we were able to clearly determine that the list had been prepared and printed with the help of a computer and a printer used in the Munich headquarters of RFE. There is "no problem" as far as most of the people on the list are concerned: They are permanent correspondents for RFE in various parts of the world, regular employees of the radio station who can be heard as radio correspondents every day by listeners in Hungary. In that respect, the document does not differ in the least from any other list of employees and payment accounts.

The interesting part of the document is the one that lists renowned leading members from one of Hungary's legislative parties [the Alliance of Free Democrats] and from one non-party social grouping. These officials are listed as if they were regular RFE employees with regular remunerations—nine (minus one) [one name is crossed out and illegible] people altogether. Seven of these have never been employed in any way by RFE. Two of them did report for RFE from Budapest between 1987 and 1989 (under their own name), but once their party had been legally registered and the two of them started running as candidates for their party at the legislative elections, they no longer acted as radio correspondents due to the incompatibility of the two functions. RFE fully agreed to this termination of employment. Following the 1990 spring elections, five of these nine people became legislative representatives; in fact, they became leading members of their party. From that moment on, they only made statements or granted interviews to RFE as members of their party—as they would do to MTV or Hungarian Radio—and naturally, they did not receive any payments for their statements. [passage omitted]

Laszlo Kasza [RFE correspondent] talked to us about this issue and about its possible background. He said:

"There is no list in RFE that states the names and Budapest telephone numbers of people who have made statements to RFE, and there is certainly no list that points out how much these people were paid for their occasional statements to RFE. The list that was sent to your newspaper must quite simply have been invented by someone. What could the background to all this be? Well, several strange things have happened at RFE in the last 18 months. For example, we have known for a long time that at least two or three former long-time Hungarian Interior Ministry employees are working for RFE—even though I have fairly strong suspicions, I would prefer not to name anyone. I think that these people might be the authors of the list that was sent to NEPSZABADSAG in the run-up to last year's elections. What they did within RFE was quite simply clear provocation, a way of discrediting one of the parties at the elections." [passage omitted]

EC, G-24 To Grant 250-Million Dollar Credit

AU0508111691 Budapest MTI in English 1450 GMT 1 Aug 91

[Text] Budapest, 1 August (MTI)—Before the end of this month, the EC is expected to grant Hungary a 100-million-ECU [European currency units] credit. The Community has already launched the necessary money market operations required for lending the money.

Under the credit transaction, the EC will issue a bond in its own name and lend Hungary the money coming in via the issue. The credit terms will be a 7-year maturity and a 9.25-percent rate of interest.

The G24 has also promised Hungary a 500-million-dollar credit, half of which will be lent by the EC.

Preparations for disbursing the first tranche of the 250-million- dollar credit the EC will be responsible for have already started.

The remainder is likely to be available for Hungary next year.

The National Bank of Hungary (NBH) is also having credit talks with 12 countries outside the EC.

The plan is that the Japanese Eximbank will lend Hungary 21,000 million yen (150 million dollars) under its support programme.

The agreement between the NBH and the Japanese bank is expected to be concluded next week.

The credit the Japanese Eximbank is now planning to grant Hungary is in conjunction with a loan the World Bank is allocating the country to finance Hungary's second economic readjustment programme.

Under the terms of the latter loan, the World Bank is granting Hungary 250 million dollars in two tranches, the first of which is due to be disbursed this year, and the second next.

The 21,000 million yen (150 million dollars) the Japanese Eximbank is to grant Hungary will similarly be available in two tranches: The NBH will receive the first, 14,000-million-yen instalment before the end of the year.

As concerns credits from countries outside the EC, Switzerland, Finland, Sweden, Austria, Norway, Canada, and the U.S. are to lend Hungary a total of 100 million dollars.

Bilateral talks are under way about these smaller sums, so the NBH is likely to conclude a number of minor credit agreements shortly.

Besides the loan the EC is to grant Hungary under the 500- million-dollar G24 credit arrangement, the Community is also to allocate the country other credits.

The EC is granting Hungary an 870-million-ECU (1,000-million-dollar) credit, to be disbursed in three tranches.

Hungary has already drawn two tranches—the first, 350-million- ECU tranche last year, and the second, 260-million-ECU tranche this February.

The third and final 260-million-ECU instalment is also due this year.

PHARE Funds Granted

AU0508113991 Budapest MTI in English 1825 GMT 1 Aug 91

[Text] Brussels, 1 August (MTI) - ECU [European Currency Unit] 86 million, or about 100 million dollars, will be given to Hungary from the PHARE [Economic Reconstruction Aid for Poland and Hungary] package, on which the Commission of the European Communities decided on August 1, MTI's correspondent reports from Brussels.

The sum is meant to assist seven projects, with 40 million ECU serving privatization, 13 million the modernization of agriculture, 10 million environmental protection, 8 million the computerization of customs offices, 5 million the computerization of commercial activity, 5 million the advancement of the domestic scientific research base, and 5 million the streamlining of the Hungarian energy sector.

The package is designed to support 22 East European projects to the tune of 339 million ECU (over 400 million dollars).

The PHARE programme was launched in the autumn of 1990, initially to facilitate the economic-political reforms in Poland and Hungary. As of January this year, the programme has been extended to all former European Comecon countries, except the Soviet Union, as well as to Yugoslavia. The Commission proposed at the

latest session of the Council of Ministers that Albania should also be involved in the scheme.

In 1990, the Commission of the European Communities voted a total of 97 million ECU in support of economic restructuring in Hungary as part of the PHARE programme.

Consumer Prices Increase 2.2 Percent in May

LD0608085191 Budapest MTI in English 0627 GMT 6 Aug 91

[Text] Budapest, August 6 (MTI)—According to the latest data released by the Central Statistical Office, in May 1991, consumer prices in Hungary exceeded those in April by an average of 2.2 per cent, with the pace of inflation not growing compared to earlier months of the year but the rate being high, reaching 37 per cent over a year.

In case current trends continue and the rate of inflation is in accordance with forecasts, by the end of the year it will reach 35-38 per cent.

The developments of the first six months of the year are to be outlined by leaders of the Central Statistical Office on August 6.

Walesa Asks Tyminski For 'Political Culture'

AU0508152091 Warsaw GAZETA WYBORCZA in Polish 31 Jul 91 p 1

["AM" report: "Tyminski at the Belvedere"]

[Text] On Tuesday, President Lech Walesa met Party X leader Stanislaw Tyminski.

Tyminski told us that the president telephoned him at Party X headquarters at 1100 and asked to meet with him at the Belvedere at 1300. The meeting lasted half an hour.

The President's Press Office said that during the meeting, Lech Walesa discussed at length what he considers to be a very serious situation in Poland. The president is reported to have said that essential political culture is needed during the election campaign, and that one cannot use justified social dissatisfaction to carry out irresponsible actions that harm the country's interests.

Stanislaw Tyminski spoke mainly about errors in government policy, which in his opinion are making it difficult to implement structural changes in the economy, said the Press Office. Tyminski is also reported to have expressed his support for the president's efforts to make politicians conduct themselves in a responsible manner during the elections.

"This was the first, but not the last, meeting before the elections," Tyminski told us. "I was pleasantly surprised by the president's personal invitation. For the past two days, the press has been saying that the president will destroy Party X and the communists, but he denied this. I am happy about that."

"Our party has no intention of making personal attacks on the president during the election campaign," Tyminski continued. "He is in a politically difficult situation, and my personal view is that Lech Walesa needs help. Mr. Walesa is the president. He is above all political divisions, and as such he is a symbol of our fatherland and needs help. He will receive such help if he asks for it."

The meeting between the Polish president and the leader of Party X should be considered normal, even though the latter has accused the president of various dirty things. The president should be in constant touch with the leaders of important political groups.

The only surprising thing is that President Lech Walesa places a higher value on a meeting with the Party X leader than he does on a similar meeting with Democratic Union leader Tadeusz Mazowiecki. Lech Walesa has twice turned down a meeting with Mazowiecki.

Balcerowicz Will Not Run in Sejm Elections

LD0508190291 Warsaw PAP in English 1622 GMT 5 Aug 91

[Text] Warsaw, August 5—"I will not stand in the elections for the Sejm, and I do not aspire to a post in a future government," Poland's Deputy Prime Minister Leszek Balcerowicz announced on Monday.

Balcerowicz, finance minister continuously since September 1989, added that his decision had been made for family reasons, and that he wished to leave behind him an economy in good order.

Balcerowicz said that the outlook for the Polish economy was not uniformly black. He noted that the 9 percent fall in industrial production in the first half of 1991 was much lower than that seen in Czechoslovakia and Hungary, while Poland's foreign trade balance had again gone into surplus since June.

Balcerowicz felt that there was a possibility for the economic recession, and inflation, to be checked in the near future. He did not believe that industrial production necessarily had to fall further, provided that Poland avoids a damaging election campaign over the next few months, and that enterprises do not give in to wages pressure.

He called for political stability, and for a stable centre to the executive branch of government, as a prerequisite for rapid growth. "We need monetary stability, and a faster rate of privatisation than hitherto," he added. He called on the trade unions to play a role in ensuring a suitable climate for economic growth and an increase in the number of jobs.

He believed that Poland's undoubted prospects for growth depended on painful economic transformations. "Certain sectors and enterprises, unable to function in the new conditions, will have to be closed down," he said. However, he did not forsee mass closures of industrial enterprises, although artificially keeping businesses alive "would be a medicine worse than the illness itself, sanctioning previous incompetence and creating great risk for the banking system."

Balcerowicz supported the maintenance of a tough monetary policy, and said that President Walesa and Prime Minister Jan Krzysztof Bielecki both understood very well that printing money was no way to effect structural transformations. "Our policy is a strong zloty," he said.

Balcerowicz said that the matter of the budget deficit would be raised at a session of the Council of Ministers on August 6, and added that the issue should not be dramatised. The budget deficit of 24 trillion zloty amounted to only 2.5 percent of gross national product.

Internal Affairs Minister Majewski Interviewed

PM0508092391 Gdansk DZIENNIK BALTYCKI in Polish 24 Jul 91 pp 1, 3

[Interview with Minister of Internal Affairs Henryk Majewski, by Barbara Madajczyk-Krasowska; place and date not given]

[Text] [Madajczyk-Krasowska] Minister, you have always been perceived more as a minister of continuation than of turning points, because you did not introduce any radical solutions in your sector. Then, when the head of the Main Headquarters was changed, the police trade unions were the first to object. Does this mean that they are in favor of the old setups? After all, Colonel Lamparski was in charge of the Personnel and Education Department when the Internal Affairs Ministry was headed by General Czeslaw Kiszczak. What are the stakes in this conflict?

[Majewski] It is not a conflict involving personnel setups. The reason behind the conflict is neither Colonel Lamparski's resignation nor the appointment of subinspector Hula, but a legal situation of the trade union. For some time now I have been asking the commandant in chief to regulate the principles of cooperation with the trade union, that is, ensure that the union operates in accordance with the statute and the trade unions act. Unfortunately, to date the fundamental question of relations between the trade union and the employer has not been clarified. The statute defines the union's range of competence in a dozen or so points. But the union has taken it upon itself to tackle one matter only: managerial personnel appointments. This is definitely outside its range of competence. I should like to stress that all actions and recommendations of union activists which are aimed at improving employees' social welfare provisions, qualifications, or professional effectiveness are worthy of support, and that in all these fields we not only should arrive at agreements with the unions but also provide conditions for the formulation of these positive tendencies.

[Madajczyk-Krasowska] So what does it mean to operate in accordance with the statute and the trade unions act?

[Majewski] First and foremost it means financial independence for the trade union. Until now the union has been financed from sector funds. This meant and still means big money, which was spent on such things as congress and conference organization, telefax and telex facilities, and travel on trade union business. These expenses were met mainly from the Main Headquarters funds, and it is here that the main source of the conflict lies. The unions promptly approved Hula and declared a vote of no confidence in the minister and the vice minister.

[Madajczyk-Krasowska] But maybe this is still just a power struggle: a contest over positions of authority?

[Majewski] It is more a contest over financial means and the possibilities of controlling trade union activity through them. A new parliamentary trade unions act comes in force 27 July. It will require that, with the exception of designated representatives, trade union activists must support themselves and finance their activity from membership fee revenues. I should like to stress that the minister is not the trade union's partner.

[Madajczyk-Krasowska] Why not?

[Majewski] Because the police are now an independent and self-governing agency, and it has a very wide range of autonomy.

[Madajczyk-Krasowska] And yet it is subordinate to the Internal Affairs Ministry, is it not?

[Majewski] It is chiefly the Main Headquarters which is subordinate to the ministry. I have influence over the commandant in chief, but not over policemen. It was in the Polish People's Republic that the minister was the boss of all the policemen. According to the May 1990 act, the commandant in chief is the superior of all policemen and he acts as a side in all potential disputes. Well, the former police chief, Colonel Lamparski, was considered very good to the trade union because he agreed to all their requests and financed its activities. But we cannot have a situation whereby an employer supports a trade union, for then his role will be identical to the one played in the past by a party first secretary or indeed the party itself.

[Madajczyk-Krasowska] But the protest action is still continuing.

[Majewski] Can we call the few declarations by trade union activists and the few banners draped on certain buildings and vehicles a full-blown protest action? Can the reason for the protest action be the conflict between the main headquarters and the policemen?

[Madajczyk-Krasowska] But does the conflict not exist?

[Majewski] It does not exist, because a number of groups and commissions—which were set up with my own and the chief commandant's participation—are working on the solution to the situation. At the moment the situation in the union is as follows: If it were not for Hula or the minister, the protest action would revolve around real trivia. This is senseless, because it undermines the authority of the police.

[Madajczyk-Krasowska] And the public are interested in whether the police will ensure law and order and public safety.

[Majewski] I should like to point out that since May there have already been three or four protest actions, and they all failed to impair the efficiency record of the police; on the contrary, the crime detection rate has since improved.

[Madajczyk-Krasowska] Nevertheless, the number of various economic crimes and fraud rackets has been increasing in our country, as haves narcotics smuggling rackets. It is also being said that Poland provides a laundering service for dirty money. Will the creation of economic police ensure that we will be better able to detect and prevent that type of crime?

[Majewski] I would be very cautious in assessing the effectiveness of such operations. We are currently witnessing a change of structures in our country, and this is conducive to the spread of a whole range of shady operations, such as, for example, uncontrolled flow of foreign capital. Our borders are not watertight against such activities. In this situation it is difficult to expect instant successes of the economic police structures—which, incidentally, have been with us all that time, but were slotted together with the criminal police. We have now given the former a separate identity of their own, to make them more visible and more highly rated. The public must be told the nature of our operational activities. In these, we draw from a number of different techniques, but the process is long and arduous. The material we gather is passed to the prosecutor general and from then on he is responsible for translating the operational material, such as witnesses' statements and incontestable evidence, into appropriate legal procedures. And it is only then that we can talk about exposing criminal activities and fraudulent rackets. This type of crime appeared in this country over the past two years: They did not occur before. Consequently, the police are only beginning to learn to walk in this sphere. Let us, for example, take the recent alcohol smuggling racket: We know its consequences, but the police as such have no influence over who will be put behind bars for it, and who will be sentenced. This decision is within the prosecutor general's competence, after the police have passed on to him their operational findings. Even witnesses' testimony can be revoked in court. I cannot bring material collected in telephone surveillance as evidence. Thus, the whole procedure is not something which will bring results in a month or two.

[Madajczyk-Krasowska] Is telephone surveillance being instituted? Who is being listened to?

[Majewski] Obvious criminals, defrauders, murderers. We install telephone surveillance if our operational information suggests that the person is involved in narcotics smuggling or family feuds concerning property rackets. Without these techniques the police would be powerless.

[Madajczyk-Krasowska] So you listen in on criminals. What about organizations?

[Majewski] There is absolutely no surveillance of political party or organization activists.

[Madajczyk-Krasowska] At one time people came to work in the militia structures because they wanted the numerous privileges which went with the jobs. Who comes to work in the police these days?

[Majewski] To my surprise, there are very many young people who join the police force these days. Over the past year we had 19,000 applicants. In addition, there are five male and seven female candidates per one place in the officers' college. It is perhaps worth mentioning one of the women candidates who did not make it was the first runner-up in the Miss Poland competition. These young people do not hail from police families. I believe that our young people believe in the reality of the changes taking place.

[Madajczyk-Krasowska] DZIENNIK BALTYCKI recently published a series of articles on the absence of changes and indeed a reinforcement of the old structures both in the former Kaszubian Border Guards Brigade and the present Border Guards. We also published letters from activists of Solidarity enterprise commissions at Hartwig and at the port of Gdynia, protesting against the nomination of Lieutenant-Colonel Tadeusz Kaczynski and Robert Raczynski; we also published a protest from Sejm Deputy Czeslaw Nowak, not to mention the questions to the minister which were asked in DZIENNIK BALTYCKI columns by editor Edmund Szczesniak. And we are still waiting for an answer...

[Majewski] It is difficult to give you a direct answer. It seems that the educational divisions within the Security Service [SB] received a correct assessment in the police re-vetting scheme [personnel eligibility and security review for former militia officers applying for transfer to new police structures]. When I assumed office here, I was convinced that the Border Guards received a similar assessment. Now, judging by the opinions I have heard and by the recent developments themselves I realize that they did not. We know that intelligence gathering played the role of an apparatus of oppression just like the SB. I promoted the colonels involved because they were presented to me as suitable candidates. I heard no mention of any protests then. I also verified documents which contained no indication that I should not entrust them with their relevant office. The protests which came after the nominations were officially announced were a surprise to me.

[Madajczyk-Krasowska] Minister, did the articles published in DZIENNIK BALTYCKI not come to your attention?

[Majewski] If they came to anyone's attention, it would have been to Vice Minister Zimowski's, who is responsible for Border Guards structures. Recently I met with Sejm Deputies Czeslaw Nowak and Bogdan Borusewicz, the latter having been obliged by Solidarity enterprise commissions to intervene. I have now received the relevant materials and I will certainly see to this matter in Warsaw and make a suitable decision. In the future I would like to avoid promoting people about whom the public, or a proportion of the public, have reservations, but I must be aware of these. Information contained in local press is not sufficient. It must reach the minister in a surer way.

[Madajczyk-Krasowska] But if people are to write to the minister, they must firmly believe that this will bring results. The nomination of the persons involved could have been read as an indication that the old structures were being reinforced.

[Majewski] If anyone thinks I am a representative of the old structures, they are making a big mistake.

[Madajczyk-Krasowska] But power changes people; it sometimes even corrupts them, and sometimes certain problems are seen in a different perspective from the top.

[Majewski] This is not the point. It is simply that the sheer number of arguments, sources, and reasons that must be considered is larger.

[Madajczyk-Krasowska] Thank you for talking to us.

National Police Chief Criticizes Police Union

LD0508171591 Warsaw PAP in English 1458 GMT 5 Aug 91

[Text] Katowice, August 5—"I will not allow personnel policy in the police force to be determined by the police trade union, though the union is entitled to put forward its opinions, in accordance with the law on trade union activity," Roman Hula, Poland's recently appointed national police chief, said Monday.

Hula, speaking at a ceremony where he relinquished his former post as head of the Katowice Province police force, said that he would continue on a national level the process of change he had begun in Katowice Province.

"I dont want to focus all attention on the police. The health service, education, are going through similar difficulties. But we must not be starved of funds to ensure our operations," he said.

Party Officials on Security Service Collaborators

AU0608080391 Warsaw RZECZPOSPOLITA in Polish 1 Aug 91 pp 1, 2

[Malgorzata Subotic report: "Subsidiary Subjects"]

[Text] There are less than three months to go until the elections, and contenders for seats in the Sejm and Senate are beginning to hold pre-election meetings. Will the election campaign be dominated by a settling of scores, for example the question of Security Service collaborators and nomenklatura companies?

Jacek Kuron and Krzysztof Snopinski of the Democratic Union: "We are against the idea of publishing a list of Security Service collaborators, and we do not know what value the Interior Ministry's archives possess. The experience of the former GDR and Czechoslovakia shows that revealing files of this nature may harm those who are innocent. Unless one is absolutely sure, one must not open the Pandora's box. Apart from collaborators, there are a few other subsidiary election topics, e.g. weeding out communism. Dealing with these subjects will not make the country progress. We will concentrate on our program."

Jacek Kuron said that the matter of collaborators is a very difficult subject because of the possibility of confusion. "I disapprove of the idea of harming two people in order to apprehend just one. Although the Democratic Union will not deal with subsidiary topics, we do expect our competitors to furnish a few explanations," said Kuron. "For example, we expect the Center Accord to clarify the issue of the "Telegraf" company. We would not like colleagues from the same Solidarity roots to be burdened with accusations. We want clear information."

Pawel Piskorski, Liberal-Democratic Congress: "We are not interested in subsidiary topics like a settlement of scores, collaborators, or abortion. We are pragmatists. We are not a detective agency. We oppose the disclosure of Security Service collaborators because, even though we ourselves are threatened, we see the danger of a misuse of information, apart from which the fulcrum of the election campaign might shift away from important national issues toward subsidiary issues."

Leszek Miller, Social-Democratic Party of the Republic of Poland: "Although publishing a list of collaborators poses various dangers, we like the idea, but on one condition, that the names of agents working for the American, Israeli, German, British, and French intelligence are also revealed, together with the names of those currently working for the Office for the Protection of the State. I think the authors of this interesting idea have narrowed it down unnecessarily, thus betraying their limited horizons.

"Another subsidiary topic is dealing with nomenklatura companies. The Center Accord has made the loudest calls for this. We, too, suggest one should start with the "Telegraf" company, which enjoys the support of state leadership bodies. The purpose of pursuing this subject, just like the weeding out of communism, is to deflect society's attention from real problems. Nevertheless I think this activity will succeed."

Andrzej Urbanski, Center Accord: "Any subject can be considered subsidiary apart from independence, national security, and the struggle against economic collapse. These topics will dominate the elections, but one should also consider other matters. Society will not tolerate the continuation of an enclave of prosperity. But if there is a danger of former Security Service collaborators' winning seats in the Sejm, something has to be done about it. We are in favor of having our parliamentary candidates vetted, and we expect the same from other political groups. After all, the new Sejm is supposed to adopt a new constitution and choose a government that will complete the reforms.

"It would be very dangerous not to examine the biography of parliamentary candidates, for parliamentarians who used to collaborate with the Security Service can be

manipulated, and one can threaten them with the disclosure of their past. In this sense, the subject of collaborators is not at all subsidiary.

"As far as the disclosure of collaborators is concerned, the Interior Minister omitted to say in the Sejm that, at the request of an interested party, the Ministry may say whether or not a given person is on the list of collaborators."

Call For Acceleration of Regionalization

LD0508210791 Warsaw PAP in English 1951 GMT 5 Aug 91

[Text] Warsaw, Aug. 5—The Regional Social Movement signed a declaration on Monday which called for an acceleration in the process of regionalisation in Poland, at a meeting attended by Polish Prime Minister Jan Krzysztof Bielecki.

The declaration states that "Poland's road to European standards requires: the development of a market economy, democracy, and moves towards decentralisation." It calls for essential reforms at the level of local councils, and the construction of a second tier of territorial councils.

The authors of the declaration call for a dynamisation of contacts at an inter-provincial level, and draw attention to the need for the proposed territorial level of local government to be identified in Poland's new constitution.

"Poland must conduct such policies as would allow the greatest possible number of Polish citizens, irrespective of national group, to recognise Poland as their country. This policy must follow international principles: a decentralised state, equality before the law, respect for the law of symmetry."

The declaration was signed by seven organisations: the Upper Silesian Union, the Union of Upper Silesians in Opole, the Autonomy Movement for Silesia in Rybnik, the Greater-Polish Union, the Kaszubian-Pomeranian Association, the National Council of Economic Associations, and the Liberal-Democratic Congress.

Earlier on Monday, the National Party (SN) had attacked the government's plans for regionalisation, as outlined in recent speeches by Prime Minister Bielecki, as "an anti-national, anti-Polish and anti-European concept" which is "yielding to German suggestions which aim to limit Polish sovereignty."

National Party Against Planned Regionalization

LD0508190691 Warsaw PAP in English 1659 GMT 5 Aug 91

[Text] Warsaw, Aug. 5—In its Monday statement, the National Party said the "statements that Prime Minister Jan Krzysztof Bielecki made in Zielona Gora, Poznan and Katowice on July 22, 1991 on the planned regionalization of Poland, territorial autonomy and a special status of the Odra Zone show that the Polish Government supports German concept of turning Europe into one federal republic whose division into lands will replace division into sovereign states."

The party deems it an "anti-national, anti-Polish and anti-European concept" and firmly protests against "yielding to German suggestions to limit Poland's sovereignty."

Plans To Merge Solidarity-80 With Union Denied

LD0608023791 Warsaw PAP in English 2250 GMT 5 Aug 91

[Text] Szczecin, Aug. 5—Leader of the semi-official Solidarity-80 Marian Jurczyk on Monday denied ever having sought re-unification with the mainstream Solidarity trade union or joining it for the election campaign. Jurczyk was referring to a recent letter from Solidarity Deputy Chairman Jan Rulewski welcoming what it described as "response to unification efforts." Jurczyk said his union never made such efforts and he therefore called the letter "pure manipulation." Meanwhile, Mr. Jurczyk had a phone conversation with President Lech Walesa who was interested in the situation in the Solidarity-80 trade union. "President Walesa promised to help in solving some of its problems," Jurczyk said adding that he was invited to visit the president in his residence at Belweder Palace, probably later this week. Marian Jurczyk promised to draw the president's attention to the deteriorating material condition of working people and his union's problems with having it officially registered at court.

Radio, Television Draft Bills Adopted

AU0508163791 Warsaw RZECZPOSPOLITA in Polish 1 Aug 91 p 2

[Janusz R. Kowalczyk report: "Draft Law on Radio and Television Adopted"]

[Text] This is just like a papal conclave. We will not leave this room until we have adopted a draft deputies bill on the Radio and Television Committee, and another bill on television itself," said Andrzej Lapicki, chairman of the Sejm Culture and Mass Media Commission, at a 31 July joint meeting of this commission and the Sejm Legislative Commission.

It took from 1030 until 1800 to adopt these bills, which will be placed before the Sejm. The new legislation calls for the appointment of a National Council for Radio and Television as the supreme body responsible for broadcasting. The members of this council are to be appointed by the Sejm, Senate, and president.

Legal experts who had been invited to the meeting answered questions from journalists. Dr. Ewa Budkiewicz said it was inconsistent to have public institutions

like broadcasting and television in a system consisting of joint-stock companies. The proposed broadcasting model is disjointed, especially from a financial point of view, she said, apart from which the bills do not say how the autonomy of radio and television is to be guaranteed when joint stock companies discharge their statutory functions.

Another expert, Professor Jaroszysnki, suggested reserving one television channel solely for the state's use. "In order to prevent abuse, one channel should be government-run," he said.

Deputy Aleksander Malachowski said that the model toward which we should aim is independent radio and television. Nevertheless, he asked: "Is the trading code that applies to companies, whose task is to increase capital, able to guarantee the independence of broadcasting as called for in the new legislation?"

Most of the members of both commissions agreed that instead of the Polish president appointing the chairman of the Council, it would be enough for the Council itself to do this. The tenure of the new Council was also shortened to two years.

Iordache Interviewed on Political Police Power

AU0608082991 Bucharest ROMANIA LIBERA in Romanian 31 Jul 91 pp 1, 2

[Interview with Claudiu Iordache, former first vice president of the National Salvation Front, FSN, by Sorin Rosca-Stanescu; place and date not given: "The Political Police Is Waiting for an Opportunity for Brutal Action"]

[Text] [Stanescu] Mr. Claudiu Iordache, what is the latest on the motion bearing your name?

[Iordache] I myself would need someone to ask this question. The motion, which was signed by many legislators, disappeared after it reached the Senate. Eventually, the Senate's Executive Bureau obtained a copy of it. A discussion took place in the Senate's Standing Bureau and, as far as I could find out, it has been decided to submit it to debates. Surprisingly, some opposition representatives opposed that.

[Stanescu] Can you give us some examples?

[Iordache] No, because I was not present there. However, I suggest you find out who opposed it and why the discussion of the motion is being delayed.

[Stanescu] Would you be so kind as to remind the ROMANIA LIBERA readers of the reasons behind your motion?

[Iordache] I believe that a revolution took place in December [1989]. If that is true, then it is unacceptable that the individuals who opposed political change should later infiltrate the power structures and partake, to a greater or lesser extent, in the reform of the entire Romanian society. I demanded that the three powers—legislative, legal, and executive—not employ Securitate people at the top levels.

[Stanescu] It seems that you do not possess the self-preservation instinct. You are the author of a dangerous initiative. Did anything happen to you, Mr. Iordache, after you proposed this motion?

[Iordache] The other side immediately launched the idea that I was a political opportunist, who wants to score points with this motion. I have no ties with foreign circles, nor do I have very much influence within the country; hence, in principle, I cannot be too much of a bother for the Securitate. At the same time, in my capacity as deputy, I demand that this motion be given an answer in the two chambers of parliament.

[Stanescu] Is there a political police in Romania? A number of activities that violate the laws of any democratic state have become quite visible, such as the opening of letters, the tapping of telephone conversations without a proper mandate from the prosecutor's office, and the infiltration of paid agents in various political parties and democratic movements to obtain useful information for the ruling party or for various compartments of the powers that be....

[Iordache] Romanian society has been so hampered of late, that it is quite obvious that a hidden power must be at work here. The political police wants to freeze everything that smacks of evolution in Romania. The Securitate has only changed its means, not its structures or personnel. Part of the Securitate has penetrated the Romanian Intelligence Service [SRI] and is operating from there. I will give you an example from Timis County. The local SRI supplied newspaper RENASTEREA BANATEANA [BANAT RENAISSANCE], which carries partly real and partly slanderous information against the trade unions. Through several Timis County deputies and senators, this information also reached ROMANIA MARE. Therefore, this data must have been directly obtained from SRI files. SRI has no right to make disclosures of this kind. After my departure from the National Salvation Front [FSN] that party has set up branches in residential areas that were penetrated by retired officers from the Securitate and the Ministry of Interior. These officer cells have misappropriated the entire FSN movement. In practical terms, the Front is now a cesspool, where the interference of the Securitate and the nationalist extremists has created an extremely dangerous situation.

[Stanescu] When you were FSN first vice president, what kind of contacts did you have with the political police?

[Iordache] Personally, I had no such contacts with them. To my questions addressed to those around me in connection with various disclosures published in the press, I used to receive enigmatic answers. I became aware of the existence of a certain complicity between the Securitate and these compartments of the Front. However, I would like to repeat a statement I have made on several other occasions in the past. The FSN is a false target, placed in front of the opposition. It is like a kind of smokescreen. No important political decisions has ever been made within that party. Until we realized that, many of us were ignorant or naive.

[Stanescu] What, in your opinion, are the changes of the Patriot organization, which—through its countrywide citizens' commissions—plans to struggle for the abolishment of the political police?

You know, the balance of forces is disproportionately biased. Today, everything that represented the communist power is in a stage of final reorganization. They can barely wait for an opportunity to prove, through a bloody and brutal action, that they are in perfect control of the situation. I am convinced that, if need be, they could produce a coup d'etat within 24 hours. However, international circumstances do not permit such a thing. In Romania, the people, particularly those middle aged and older, are living in a state of resignation that puts them on the defensive and even pushes them toward nationalism, thus further removing them from the promises of the December revolution. To balance this situation, we must draw to our side the young people, intellectuals, and the representatives of the trade union movements. The fact that this "Patriot" organization

was set up scares me, because I feel that there is a great difference between its force and that of the political police. I would not be surprised to learn that "Patriot" organization has already come under the Securitate's scrutiny. I believe that the Securitate controls the FSN, the opposition, and the powers that be. Only it cannot act. Not yet....

Coposu Gives Speech on Party Policy, Goals

AU0508111891 Bucharest DREPTATEA in Romanian 31 Jul 91 p 1

[Speech by Corneliu Coposu, president of the Christian and Democratic National Peasant Party at a meeting with local party officials and supporters in Craiova, Dolj County, on 27 July]

[Text] I am immensely happy to see so many young and bright faces here... Basically, the situation in which we find ourselves today is a result of 45 years of communist oppression. Therefore, we demand now that all the reactionary laws passed by the communist regime be abrogated. Let us further expound on the principles of Iuliu Maniu and Ion Mihalache [party founders], for the promotion of democracy and freedom.

... We piously bow our heads before the sacrifice of the young generation, that brought down communism. Various categories of people participated in the 22 December events, but the young people were their spearhead—young people, who faced the machine guns of the oppression with their bare chests. I saw with my own eyes seven young people near the University—five boys and two girls—crushed by the tanks that drove over them. Our party's goal is to promote the young generation, which should take over from us, the survivors of communist jails. We would like to train our young people in the spirit of the high ideas of Iuliu Maniu and Ion Mihalache. We are hurting at the sight of so many young people, the future of our country, being profoundly disillusioned with the current developments in Romania. They did not deserve that fate: the fate of being born in chains. Then, after they broke the chains with their own lives, they did not deserve to be put again in chains. Therefore, given the lack of prospects for their future, they should not be criticized for leaving the country in the search for fulfillment abroad. But we must convince them to stay home, so as to help with the establishment of freedom and democracy.

... At the next administrative elections, we would like for all political and apolitical groupings to join forces, in close unity, to overcome neocommunism.

... In the domestic sphere, we have draft laws for all compartments; we will be able to implement these laws when the change that we are fighting for occurs. It has been claimed that we do not present an alternative and that only the current government—allegedly made up of the choicest brains—has a program. This is not true! Our party also has economists, scientists, and trained people for all spheres, and we dare say they are better than the unique brains put at the government's disposal. Our alternative is a valid one, and we want to put it at the disposal of the Romanian nation.

In the sphere of foreign policy, we are for cooperation with all countries in the world, primarily with the democratic ones, with the countries that ensure the integrity of our borders. We consider Bessarabia and Bukovina as Romanian lands. Therefore, we are determined to negotiate with those states that will ensure our true frontiers—as happened at the end of World War I—until the completion of the Romanian nation.

... We want to establish a state of law by restoring all democratic institutions and taking the family out of the oppression in which it was kept for half a century. We want the woman to regain her dignity and the chance to raise her children. Let us not forget that women represent 52.8 percent of the Romanian electorate. At the congresses I attended abroad, I noted that women prevail. We would be proud if the women of Romania voted for freedom and democracy, by giving their ballot to the political groupings that guarantee the elimination of communism and the restoration of democratic principles in our country.

We do not have personal ambitions. We are not thirsty for power, but we feel obliged to put forward the Romanian people's wishes, your desires, since so much injustice has been done to you. Now, due to the incapacity of this government, which did not know how to work out this set of price liberalization measures, we have reached a deadlock that could have been avoided by any wise government. All this time, we had a plan for the transition to the market economy without quakes and convulsions.

The government only takes care of its own interests. Unfortunately, even harder times are ahead of us. We all feel the effect of inflation, of the aberrant price increases that have made products exorbitantly expensive, and of the financial and economic chaos. The government proved to be totally incapable of keeping the promises it has made to the people and observing the contracts it has undersigned. If it felt it morally owed something to those who voted for it, the government would recognize its incompetence and would make room for a political grouping that has viable programs capable of improving the current political and economic situation.

When the entire country reaches the conclusions shared by you, when everybody gets a clear picture of the situation and comes out of the confusion and disinformation spread around by the Securitate—which today calls itself the SRI [Romanian Intelligence Service]—and when all the people free themselves of fear and resolutely speak their minds, without any kind of reservation, only then will we have overcome the danger of communism and only then will we be able to build a free country for our children and grandchildren.

We consider the abdication of His Majesty King Mihai as null and void.

Our love is with you! May God help us!

'False Files' Said To Circulate on Opposition

AU0508164291 Bucharest ROMANIA LIBERA in Romanian 30 Jul 91 p 1

[Andrei Badin article: "False Files"]

[Text] "False files have been fabricated for the opposition members of the current regime," said Mr. Radu Campeanu, president of the National Liberal Party, during a news conference on 27 July. "You too have such a file to prove that you collaborated with the Securitate. There are even documents signed by you, false ones of course. All of us have such files," Mr. Campeanu said to the editor of ROMANIA LIBERA, who was attending the news conference. Mr. Radu Campeanu's affirmation completes the information obtained by the news agency ARGERPRES-ROMANIA LIBERA, according to which the current leadership, together with the former and current Securitate, has made up false files for the opposition of the current political regime. In accordance with the information received, the press cartel that is made up of RENASTEREA BANATULUI, ROMANIA MARE, and EUROPA, together with AZI newspaper, is to launch such a campaign. Its first target will be the president of the National Peasant Christian Democratic Party, Mr. Corneliu Coposu.

Measures To Increase Output in Mining Industry

AU0508114091 Bucharest ROMPRES in English 0919 GMT 5 Aug 91

[Text] Bucharest ROMPRES 5/8/1991—The Romanian mining sector—which ensures 230,000 jobs and is organised in seven autonomous enterprises comprising 214 mines—recorded a decrease of production as compared to 1989, stated Mr. Corneliu Burlei, secretary of state, head of the Mines Department in the Ministry of Industry. He specified that the output with pit coal was of 48.6 percent as compared to 1989 and 90.7 percent as compared to 1990 while with lignite—62 percent and 98.9 percent, respectively.

The measures to develop the mining sector stipulate the modernisation of the extraction process, the reconstruction of several mining units, re-equipment of mines, a.o. In Mr. Burlei's opinion all these measures will ensure a 80-percent rise in the coal output until 1995.

Article Expresses Hope for MFN Trade Status

AU0508182891 Bucharest TINERETUL LIBER in Romanian 1 Aug 91 p 1

[Victor Lupu article: "When Will We Receive the Clause?]

[Text] In our note yesterday on the news conference held by Mr. John E. Robson, U.S. deputy treasury secretary, we promised that we would return with a few comments on his statements. We do not know whether Mr. Robson's display of optimism is subjective, to a certain extent, but it signals a pretty substantial change in attitude toward Romania. Several significant elements are enhancing our opinion in this respect: Asked whether a change has occurred in the U.S. position toward Romania, Mr. Robson said no, it is simply the continuation of the development of bilateral relations. In practical terms, he avoided any mention of the nebulous events of last year, and he gave an ambiguous answer to queries about Romania's image in the United States: "I do not understand too much about images. I found here a determination to continue the reforms and enthusiasm about the future. I am optimistic, and I will report this to the relevant U.S. politicians." However, the most surprising statement made by Mr. John E. Robson was perhaps his answer to the adoption of the Privatization Law by Romania's Parliament in the absence of the opposition. If, until now, the United States has constantly showed reticence toward the ruling political power in Romania—the coolness in Romanian-U.S. relations to date being quite obvious for this very reason (unless one closed one's eyes to it and pretended not to see it!)—this time, the U.S. position, as reflected in Mr. Robson's answer, was diametrically opposite, so to say: "We are brave, but not naive. It is not for us to say which laws should be passed and which rejected. We are confronted with similar problems at home, too(!)." In spite of Mr. Robson's quite convincing statements, we dare to stick to our initial opinion that something has happened that brought about a change in the U.S. position toward the ruling political power in Romania. We do not intend to dwell on this issue at this time. What is certain is that now—given the newly created situation and accepting the optimism voiced by the American guest—it is becoming increasingly obvious that we should no longer ask whether we are going to receive the Most Favored Nation [MFN] clause, but when?

Nastase Views Bilateral Relations in Japan

AU0508190891 Bucharest ROMPRES in English 1732 GMT 5 Aug 91

[Text] Tokyo ROMPRES, 5/8/1991—"Japan views with interest and friendliness the changes under way in Romania and will further extend its help to Romania for its development, both within their bilateral relations and in the Group of 7 and the group of 24" said Japan's Prime Minister Toshiki Kaifu during the reception of the Romanian minister of foreign affairs Adrian Nastase, now on an official visit to Japan.

Foreign Minister Adrian Nastase handed Premier Kaifu a message from Romania's Prime Minister Petre Roman and expressed gratitude for the assistance Japan has rendered to Romania in the complex process of passing to a market economy. The Romanian minister described the main features of the Romanian society in its post-December 1989 evolution towards democracy and economic reform and the prospects they have opened to Romanian-Japanese cooperation.

Monday afternoon Foreign Minister Nastase had a first round of talks with his Japanese counterpart Taro Nakayama, during which they examined aspects of the bilateral relations and exchanged opinions on the international situation.

The Monday schedule included, among other activities, interviews with cultural personalities, businessmen, with members of the association of political commentators of Japan at "Japan National Club" of Tokyo.

Asked about the Hungarian minority in Romania, Minister Nastase said: "Unfortunately, in Hungary or among the Hungarian exile there are people living with the nostalgia for the Austrian-Hungary of yore." He showed, however, that, at governmental level, Transylvania raises no problems between Romania and Hungary. Foreign Minister Nastase, writes KYODO agency, rejected accusations that ethnic Hungarians were victims of discriminations in Romania and expressed the opinion that the issue of the rights of this minority had been used by Hungarian nationalists as a "political instrument" to sharpen up the Transylvanian problem. "Democratisation of a country cannot be achieved at two different speeds, one for the majority and one for the minority," said the chief of Romanian diplomacy, pointing out that in a country like Romania, that had so many difficulties to surmount a minority could not live better than the majority.

Federal

Kucan Advocates International Conference

AU0508210391 Vienna ORF Television Network in German 2000 GMT 5 Aug 91

[Interview with Slovene President Milan Kucan by Gerhard Seifried in Carinthia on 5 August—recorded; Kucan statements in Slovene with superimposed German translation]

[Text] An inn in Ludmannsdorf right in the middle of Carinthia's bilingual area—this was the scene of the one-hour meeting between the Slovene president and Nationalrat President Heinz Fischer. One day after the failure of the EC mediation mission in Yugoslavia, Kucan sees only one chance to overcome the crisis:

[Kucan] I think that an international conference on Yugoslavia would be the best possibility. It would correspond to the nature of the problem if this conference were suggested by the EC, which has already made great efforts to peacefully settle the Yugoslavia crisis. This suggestion could also be made by the CSCE. I think that everything has to be done to stop this stupid armed conflict between the two peoples. One should also not rule out a commitment of the Western European Union and its military units, to ensure and control an armistice.

[Seifried] Slovenia achieved a comparably good position, also toward the EC. Looking at your neighbor Croatia, do you have something like a bad conscience?

[Kucan] Thank God, things are not connected in this way. During the war, Slovenia was in a situation in which it had to agree to tough conditions that were made by the EC. Here I am thinking of the Brioni Declaration. We are pinning our hopes on the European option. Not least for this reason, we are trying to fulfill the Brioni Declaration. Of course, this does not relieve us of the responsibility to contribute to the solution of the Yugoslavia crisis.

[Seifried] Croatia has now broken off its relations with Serbia. Would you advocate that Slovenia also take such a step?

[Kucan] In fact, these relations were broken off long ago, not by Slovenia. For two years, Serbia has waged a customs and trade war against Slovenia. Slovene property is illegally confiscated. There is an information blockade in Serbia. In fact, the points of contact are only restricted to the Federal Presidency and the meetings of the presidents of the republics.

Presidency Endorsement Unnecessary for EC

LD0508181791 Belgrade TANJUG in English 1646 GMT 5 Aug 91

[Text] Belgrade, Aug 5 (TANJUG)—The Yugoslav State Presidency announced today that it was unnecessary for the E.C. monitoring mission to receive endorsement from the presidents of constituent republics for enlarging the scope of its activities in Yugoslavia.

The Presidency information service stressed today that the "taking of decisions on enlarging the activities of the observer mission in Yugoslavia is under the competence of the Presidency of Yugoslavia" which rejected such a proposal at its session on August 2 and 3.

The Presidency of Yugoslavia in this way replied to a statement by the Dutch Foreign Minister Hans van den Broek made in Amsterdam, saying that Serbia had not accepted a proposal by the "troika" of E.C. ministers concerning the expansion of the observer mission's activities.

In its announcement the Presidency reiterated that at its session on August 2 and 3 it had not accepted a draft memorandum on expanding the activities of the observer mission to Yugoslavia to cover also Croatia, because its stand was that a ceasefire in Croatia was being controlled by Yugoslav organs.

The Presidency announced that at the said session it empowered a commission for the overseeing of a ceasefire "when it deems appropriate, to propose to the Presidency of Yugoslavia the methods and volume of the further engagement of the observer mission of the European Community."

The Yugoslav State Presidency, as it reiterated, at its session on August 2 and 3 decided that four Presidency members should receive the "troika" of E.C. ministers and advise them of the Presidency's stand towards the proposed memorandum on the expansion of the observer mission's activities.

Air Force Rejects Reports of Air Attacks

LD0508183791 Belgrade TANJUG in English 1726 GMT 5 Aug 91

[Text] Belgrade, August 5 (TANJUG)—Yugoslav Air Force and Anti-Aircraft Command on Monday described as monstrous the rumours of possible army attacks on cities in Croatia.

The command's information service announcement again repeated the its assurances to the citizenry "that no one well-intentioned had any reason for fears in connection with the rumours of possible air attacks on our cities."

Such "monstrous ideas", the announcement said, could only spring from the minds of those who were "caught by panic faced with crimes committed against their own people and homeland."

As of June 27 until today, as the announcement said, the Yugoslav Air Force has been opened fire on on 25 occasions from land-based infantry and rocket arms, while the planes' crews returned fire only in six instances because "pilots, too, regardless of their own safety avoided to act against civilian targets."

The command recalled its July 12 decision that its planes "will not act first, but would resolutely return fire regardless of which warring 'camp' the fire has opened from the ground."

The announcement said that the military aircraft carried out their routine flights and would continue to do so in the future over the entire territory of Yugoslavia.

International

Markovic Appeals To EC To Continue Mission

AU0508151491 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 5 Aug 91

[Text] How will the situation in Yugoslavia develop after the mission of the EC's troika, which ended in failure yesterday? At the request of TANJUG and in an interview with Radio Belgrade and Radio Yugoslavia, Prime Minister Ante Markovic commented on the negotiations between the EC and the representatives of the Yugoslav leadership yesterday. Here is what Ante Markovic said to our reporter Olivija Rusovac about how to bring Europe back to Yugoslavia.

[Begin Markovic recording] You see, even during the course of the talks I held with the team of people led by Van den Broek yesterday, they were discouraged. We tried to encourage them and asked them not to conclude that all relations are coming to an end, but that in fact we should work on how to approach our problems again, perhaps in a different way. They should also revise their approach to the problems. We parted company, saying that this topic must [words indistinct]. I expect, not only because they are sensible people but also because we are talking about the interests of Europe and all countries that are members of the EC, that they will not be able to indifferently watch things happening uncontrollably in our country, things that would lead to dangerous consequences and a general civil war, something we will not be able to (?resolve). I think that we should continue to work on intensifying contacts between the EC and us in every respect. [end recording]

Comments on Failed EC Mission

LD0508211691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1456 GMT 5 Aug 91

[Text] Belgrade, 5 Aug (TANJUG)—"We should not start crying now over the failure of the EC troika. But, at the same time, it does not mean that we should now give up. On the contrary, we must strive by relying on our own resources to ensure the functioning of the system and to seek again political, moral, and economic support from the EC."

This was said by the Federal Executive Council [FEC] president [Prime Minister Ante Markovic] in a statement to TANJUG's diplomatic editor, Stevan Cordas, who asked the prime minister to comment on yesterday's unsuccessful mission of the EC troika.

Markovic explained that during his recent visit to Brussels it was agreed that the troika's latest visit to Yugoslavia would be used to discuss two topics: a cease-fire in Croatia and the introduction of certain monitoring functions in that republic, as well as the FEC's proposal for the functioning of the system during the 90-day moratorium.

"Unfortunately, since no agreement could be reached on the first topic, the other was not even considered. It was a pity, since the troika also included Abel Matutes, an EC representative who came with the intention of discussing an economic program," the FEC president said.

"I must pay tribute to the people from the EC for their political, professional, and human involvement," Markovic said, adding: "They came here to help us to resolve our crisis. However, I think the EC representatives on this occasion gained even more insight into the depth of our crisis and its contradictions and into everything that is tearing the country apart. I also think they will now give more thought to their commitments, which have so far too frequently oscillated from a support for the country's integrity and the preservation of its borders on the one hand, to the right to self-determination, on the other hand. Of course, these two things are not that compatible. But from our point of view, these are the issues that have to be discussed; in other words, the right to self-determination must exist, but it must not automatically imply the destruction of Yugoslavia. She (Yugoslavia) can be organized in a rational manner so as to retain all the functions that are in the interest of each individual part and of Yugoslavia as a whole."

Asked to explain how this could be achieved, Markovic stated: "We insist on continuing all activities likely to halt the clashes and also on talking about the functioning of the system in the country during the moratorium. This last point, however, somehow fails to be included in either the SFRY Presidency's agenda or the meeting of the republican presidents. It is evident that it is not in someone's interest to set up such a system. What we must do is expose and identify those who are against it; only then can the responsibility for a negative resolution of events in the country and for the country's fate be attributed to them."

"We are convinced that without ensuring that the country functions during the moratorium, there will be no chance of restoring peace or opening up the process of negotiations on the country's future let alone gaining material and financial support," Markovic said.

The FEC president went on to warn that "it is evident we are moving toward even more anarchy, with the situation getting out of control not just at the level of the common state but also in the republics. That is the most dangerous aspect of this situation."

Markovic also made reference to the Brioni declaration, which calls for a 90-day moratorium and the suspension

of all previously adopted decisions that have so far served to destroy the country's legal, economic, and state system.

"I must say here that Slovenia has failed to implement many of the decisions regarding customs duties, borders, and the functioning of the police," Markovic said.

Markovic drew attention to what Yugoslavia would lose as a result of the failed EC mission. He said that during his recent visit to Brussels it was suggested that a new EC team shoud go to Yugoslavia, providing the troika's mission was successful and negotiations got under way about the functioning of the country and its future setup. This team was to be headed by Jacques Delors, president of the EC Commission. "We planned to resume talks about the EC's overall support for Yugoslavia, including the process of association, but only of Yugoslavia as an entity. The associated status would give Yugoslav citizens the right to consider themselves as citizens of Europe, would encourage foreign investment and provide guarantees for that investment, and would open up prospects for negotiations with the Twelve about all issues—economic, political, interstate. Unfortunately, all this has now been suspended."

"The FEC will invest all its efforts to ensure that the negative outcome of the EC mission helps sobriety to gain ground in Yugoslavia, Europe, and the world," Markovic said, adding: "We must do our utmost to ensure that the force of argument prevails over the argument about force; and that instead of weapons, common sense gains the upper hand."

Markovic noted that we have not yet lost all chances of a positive development. In conclusion, he appealed to the citizens of Yugoslavia to support him in his efforts to secure a democratic resolution to the Yugoslav crisis.

Jovic Criticizes Van den Broek Statement

LD0508224291 Belgrade TANJUG in English 2036 GMT 5 Aug 91

[Text] Belgrade, August 5 (TANJUG)—Member of the Yugoslav Presidency from the Republic of Serbia Borisav Jovic on Monday described as "unusual and inaccurate" the statement of Dutch Foreign Minister Hans van den Broek that "Serbian leaders were to blame for the failure of the European Community mission."

In a statement to Belgrade radio and television, Jovic said that the statement van den Broek gave in Amsterdam, immediately on return from Belgrade, "would cause many, perhaps, even sensational comments in Europe."

"If Europe wanted the situation in Yugoslavia to be pacified, it was strange that Europe had not welcomed that the state Presidency, in agreement with Croatia, adopted a decision the significance of which cannot be stressed too strongly on unconditional ceasefire in this Yugoslav republic, and set up a commission which was to control the ceasefire," said Jovic.

"Disputes emerged, however, with the arrival of the EC delegation, which demanded that the Yugoslav Presidency decision be turned into an agreement and that this decision be signed by defined sides so that it could be consistently carried out," stressed Jovic.

He explained that the attempt to sign the agreement had fallen through at the August 3 Presidency session.

The agreement was to have been signed between the Yugoslav Presidency, the representatives of the Republic of Croatia and the representatives of the Serbian people in Croatia.

Such an agreement, in Jovic's view, "could not have been reached, since the Republic of Croatia did not want to sign an agreement also signed by the representatives of the Serbian people in Croatia, because they believe them to be terrorists and gangs."

"The arrival of the EC mission has further complicated things," said Jovic. "The mission demanded that the agreement be signed by Serbia, as if it, too, was involved in this war."

"After the Republic of Serbia rejected this, the mission demanded that the agreement be signed by all the republics and the federal prime minister," specified Jovic.

He emphasized that "the EC mission refused that the agreement be signed by the warring sides—and these were the Serbian people in Croatia and the leadership of this republic."

A foreign mission can come to Yugoslavia only when invited by the Yugoslav Presidency, as the sole legitimate organ, added Jovic.

"I find it hard to understand that Europe was unhappy that Yugoslavia took the decision on ceasefire alone and adopted the decision to control it on its own," said the Yugoslav Presidency member.

Jovic stated that he believed that it was even more irrational that the mission accused Serbia, although this republic was not competent to take decisions on (non-)acceptance of foreign observers. "Nor has it taken such a decision," said Jovic.

UN, WEU May Act on National Crisis

LD0508184691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1738 GMT 5 Aug 91

[Text] Paris, 5 Aug (TANJUG)—The French Government has decided to convene the UN Security Council because of the threat that a civil war in Yugoslavia may break out. At the same time the French Government demanded an urgent meeting of the WEU [Western

European Union] to examine the Yugoslav crisis. This was stated by the French Foreign Ministry this afternoon.

The French double move represents a concrete introductory demand that the United Nations should send troops through the WEU to separate the warring sides or send "peace forces" to Yugoslavia.

It was stated that French Foreign Minister Roland Dumas pointed to the urgency of convening the UN Security Council, which could happen within the next 24 hours. This stems from diplomatic consultations between EC governments today. France expects—as Roland Dumas said—support from all EC countries, about which the EC council of ministers will make a decision in The Hague tomorrow.

The convening of an extraordinary WEU session can soon be expected, the agenda of which would only be the question of a war threat in our country. The WEU is one of the leading military organizations of Western Europe, which includes nine leading EC countries.

It is a general opinion that France and the whole EC believe that the international community should act, and that it is necessary to involve the EC and WEU, and also the CSCE, and even the United Nations to prevent war in our country.

Gligorov Assesses Talks With EC Ministers

AU0508173091 Skopje Radio Macedonia Network in Macedonian 2000 GMT 4 Aug 91

[Text] Macedonian President Kiro Gligorov held talks today in the Palace of the Federation with EC ministers. This is what President Gligorov said to journalists about the talks:

[Begin Gligorov recording] I called the meeting with the troika to express the views of the Republic of Macedonia about the present situation in Croatia and the general situation in Yugoslavia. I said that the first priority is a cease-fire. Each side should do everything in its power to achieve this. We are doing everything that we can in the talks. We think that the loss of one single human life, let alone hundreds of lives lost every day, is something that none of us can have on our (?conscience). Nor can this be justified with any action, and I do not know what else.

A cease-fire must be introduced immediately, and then talks should be held on everything that could be a contentious issue and could be (?connected with the future) of peoples, whether they live together or separately, or if some of them form an association. That is my first point.

Second, I think that in this (?warring state), I (?say warring) since, judging by everything it has assumed such a character, that in the end there can be no winners or losers. Regardless of how everyone feels at the moment, whether they think that they are winners or losers, there is no winner in this kind of situation in which many members of two peoples are dying, which are nevertheless very close and which nevertheless have a large number of common interests. [Words indistinct] regardless of which form the association and cohabitation will take. Perhaps if nothing else, they will live (?together in Europe). Nevertheless, [words indistinct] leaves a difficult inheritance in the (?form) of joint European life, too.

I then said that [words indistinct] the talks and negotiations should mention the future of these peoples because the cease-fire itself is, as you know, extremely important. The cease-fire itself does not mean automatically mean peace, too.

We can only achieve peace if we talk and negotiate on every issue that [words indistinct] of the people but in the desire to achieve an agreement and not only for us to suggest that we talk and then (?part company) but that there is a desire for an agreement to be reached. I think that all the peoples in Yugoslavia today demand this, and this is our (?firm goal).

The third point that I mention was that if the secession of Slovenia and Croatia begins, if it is carried out, then Macedonia would not stay within the remnants of some kind of Yugoslavia. Therefore, it, too, must make the decision to be an independent and sovereign state and then talk about association with all the other peoples in Yugoslavia, all Balkan peoples, and all European peoples. This is because all people will have a quite different position if the result [words indistinct] of decades of living together and the [words indistinct] of a community for which [words indistinct] responsibility is borne for the future that we should discuss, and it is a quite different situation if this Yugoslavia does not exist so that every group must make its own decision, assess its own position, and to make a final decision on whether to live alone or join other peoples in Yugoslavia, the Balkans, and Europe.

Kucan Discusses Issues With Austria's Fischer

LD0508221191 Ljubljana Radio Slovene Network in Slovene 2000 GMT 5 Aug 91

[Text] Slovene Presidency President Milan Kucan spent today in Austrian Carinthia where he held talks with Hans Fischer, President of the Austrian Federal Parliament. Edvard Puksic reports:

[Puksic] President Kucan and President Fischer agreed to hold a working meeting before the (?recent) visit by the European ministerial troika to Yugoslavia. As they both stated, the main emphasis of the informative meeting was supposed to be on other things. However, the failure of the European mediation dominated the talks, which were held behind closed doors. In the hope that the war in Slovenia has actually ended, the President of the Republic of Slovenia outlined the contents of the talks as follows:

[Begin Kucan recording] Slovenia has thus obtained the possibility of turning toward fundamental questions. Not how to secure, peace but how to revive the economy. This, of course, is not possible without us being able to carry out normal business with other countries, especially with our neighbors, with whom we do most of our trade. This includes, of course, Austria. Austria is one of those countries which introduced the war risk clause into its trading with Yugoslavia, and thus also Slovenia. This prevents us from carrying out normal business and this was the subject of our talks. You will understand, however, that due to yesterday's events in Belgrade, most of our talks are now devoted to the situation in Yugoslavia. (?This situation) was yesterday assessed by the troika chairman, Minister Van den Broek, who stated with regret that in Yugoslavia there exist policies and politicians who do not wish to work in the interest of peace. [end recording]

[Puksic] Thus President Kucan. Fischer, President of the Austrian Parliament, also emphasized at the improvized news conference that the influence of recent events on speeding up Austrian recognition of Slovene and Croatian sovereignty was not discussed.

Slovenia

Control of Slovenian Airspace Viewed

AU0508141291 Belgrade Radio Belgrade Network in Serbo-Croatian 0800 GMT 4 Aug 91

[From the "Sunday at Ten" program]

[Text] The Yugoslav People's Army is leaving Slovenia, but it still controls the airspace over the whole of present day Yugoslavia. Slovenia could not control its own sky even if it wanted to, because it lacks the qualified personnel and the technical and other means to do this. That, however, does not prevent it from further accusing the Yugoslav People's Army of violating the Brioni declaration. Dragoslav Kosaric reports:

[Kosaric] In accordance with the decision of the SFRY Presidency, the units of the Yugoslav People's Army are leaving the territory of Slovenia, without incident or provocation. And while the Yugoslav People's Army is no longer at the land borders with Italy, Austria and partially with Hungary, it still has inviolable control over the airspace throughout the entire territory of Yugoslavia.

This air border, though invisible, might be the reason for an apparently approaching confrontation between the Yugoslav People's Army and the Territorial Defense of Slovenia. To judge by the letter sent by Slovenian Prime Minister Lojze Peterle to Ante Markovic on 1 August, such a possibility should not be dismissed. For the president of the Slovenian government, the dismantling of the radar systems and the aerial surveillance, communications, and navigation service of the Yugoslav People's Army is a violation of the Brioni Declaration. For this reason, Peterle warns or indirectly threatens that the Slovenian republic will take the appropriate steps to defend Slovenian interests.

Obviously, in Janez Jansa's headquarters, they are aware that the withdrawal of the Yugoslav People's Army is still a double-edged sword. Without the radar and other electronic equipment, Slovenia's air space becomes open to unannounced visitors, but for civilian airplanes which may want to land at Brnik, Maribor or Portoroz, it is an unsafe area.

Slovenia is not internationally recognized as an independent state, and thus it cannot establish flight control. To do this, it would have to purchase the appropriate technical equipment, which costs about a billion dollars, and then it would have to train the personnel. Without independence, it could not even get a frequency, which is granted by an international authority.

It was in this knowledge that, in the conflict between the Yugoslav People's Army and the Territorial Defense of Slovenia, the main targets were the units for aerial surveillance and communications and navigation and the missile units that control Slovenia's air space, and that they were involved in the most intense fighting.

The attempt to capture these strategic units did not succeed, but it did reveal that certain communes did not know who was in charge of the special units whose objective it was to capture the entire service of [word indistinct] and missile systems, with the help of the recruited military officers of Slovenian descent within those units.

The determination of the Yugoslav People's Army and the urgent warning that the Army would prevent this at any cost persuaded Jansa, Kacin, and Kucan, as the supreme commander, to give up the idea of achieving this objective.

Obviously this is a sore point, as it would be unrealistic to believe in the good intentions of others without having one's own self defense. A few days ago, your reporter personally saw EC observers from the peace mission at Razdrto, even though there is no military there, and there was no fighting, although this place is a strategic point for all possible military operations. I believe that the mission has good intentions, but the impossible is possible.

Obviously, the Slovenian leadership, judging by Peterle's letter to the Federal Executive Council, had presented only the extreme variant, an open incident and confrontation. Meanwhile it is indispensable to attempt to win the favor of the superior cadre by offering higher salaries and other benefits. But it is not very likely that this will succeed. Thus, referring to violations of the Brioni declaration is a good card for Slovenia and one on which it places great hopes, expecting that international public opinion will exert pressure on what Slovenia considers to be the rest of Yugoslavia to allow Slovenia to continue to cover and control the airspace for its own use.

It is hard to believe that the other side, after all that has happened, will agree to this. For the time being there is little chance that Austrian flight control would agree to control Slovenian air space, despite this country's goodwill toward Slovenia, because Slovenia is not a sovereign state. Rome would also have to respond to the same offer.

The federal flight control in Belgrade is the only proper authority, and it is not likely that Slovenia will gain control of its airspace after the removal from Ljubljanski vrh of the radar station, with its modern electronics for identification, which, by the way, was attacked by the Territorial Defense on the night of 28 June. However, the attack was repelled with firm defense and the use of the Air Force.

Whether the Slovenian leadership will accept this and realize that they had a Pyrrhic victory or might make a move that would mean a renewed escalation of the conflict will become evident during the days of the moratorium.

Croatia

Tudjman 5 Aug News Conference Reported

LD0508164591 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 5 Aug 91

[News conference by Croatian President Franjo Tudjman in Zagreb—live]

[Excerpts] [Passage omitted] We expressed our agreement with a cease-fire [words indistinct]. We are sticking to the standpoints we [words indistinct]. Croatia did not agree to Mr. Kostic [Branko Kostic] heading such a commission [cease-fire commission], because he came to Croatia [words indistinct], and the spread of [word indistinct] and aggression in Slavonia began. [passage indistinct] But we agreed that the group of the federal commission could go to Knin, but only in the presence of the prime minister of Croatia. [passage omitted]

[passage indistinct] Let me briefly answer the first question: I have still not decided who will replace General Spegelj as commander of the National Guard Corps. To the first question [as heard] it was a moment, a historical moment, when Croatian democracy was taking its examination [words indistinct]. [passage omitted]

Our defense forces and those included in the Ministry of Internal Affairs and National Guard have so far been strong enough to prevent plans regarding the creation of Greater Serbia, as you know, for example Virovitica, Karlovac, Karlobag. But, of course, because they do no have heavy weapons, tanks, an air force, and so on, they are inferior in that respect to the Yugoslav Army or the army that can be mobilized by the Republic of Serbia through its territorial defense. This is one of the reasons why I personally, as the president of the republic, declined to wage an open war against the Yugoslav Army and Serbia. That was one of the reasons, actually, one of the reasons in addition to the general democratic determination, to persevere in our demand to find a peaceful way out of the crisis.

But I also urged the strengthening of our defense forces. Likewise, I have repeated many times, and I am also repeating today, that we shall not (?give in), and if necessary we shall call up the entire Croatian people, even unarmed, if a general aggression takes place in Croatia. But I hope that with our own policy, aided by the EC and international community, we shall prevent those who are dreaming of appropriating parts of Croatian territory and annexing them to Greater Serbia, or toppling the present Croatian government and creating such a government that they would be able to subordinate to some kind of their centralistic Yugoslavia. We are able to prevent all that from happening and protect the sovereignty and autonomy of the Republic of Croatia.

[Passage indistinct] The mobilization that we announced means that we will mobilize as many people as we deem necessary, depending on the quantity of weapons we now have. A little while ago I replied that, if forced, we would call up all people. [passage omitted] Territories being controlled by outlaw Chetnik groups take up three percent of the overall Croatian territory." [passage omitted] Your question leads to a conclusion that we have allegedly neglected or underestimated the concept of territorial defense. I would like to recall that I was one of those who theoretically and practically drew up the concept of territorial defense approximately 30 years ago, or even earlier, to make it possible for the people to defend themselves. But the fact is that the Croatian territorial defense was disarmed before the democratic authorities in Croatia came to power. [Words indistinct], and it was not done in other republics, because, as you can see, the territorial defense of Slovenia could offer armed resistance to the Yugoslav Army [rest of sentence indistinct].

We did not neglect territorial defense: it is effective when the people are armed, and the Croatian people are not, and hence the (?question) was, and is, whether it would be considered a responsible thing if I, as the President of the Republic, if the Croatian Government or the Croatian Assembly, proclaimed a war of unarmed people against armed terrorists and the Yugoslav Army, and then, instead of 150 killed, which we have so far in Croatia, we would have 15,000, 50,000, or 150,000 people killed. I wanted to prevent that from happening at all costs.

But I would like to stress again; if we do not manage to safeguard the independence of Croatia, then we will call up the people (?regardless of consequences) [rest of sentence indistinct].

Regarding refugees, it is a most distressing thing that the Croats living in Croatia are compelled to flee because of terrorist activities, and we will endeavor to put a stop to

it. These days, the Croatian people are fleeing helplessly before the mortar fire [passage indistinct] [passage omitted].

"Representatives of the Croatian government held talks with representatives of the Serbian people throughout Croatia. But they did not hold talks with ringleaders of terrorist actions. Our position in this respect is clear: we made it possible for the EC representatives to hold talks with [words indistinct] and with representatives of the Croats [words indistinct]. Hence, we are continuing with the policy of guaranteeing all human, civil, and national rights, cultural autonomy and even local self-management wherever the Serbian people is in majority. We also said that we guarantee the proportional representation in the structure of government. So, our policy in that respect remains consistent and we are completely certain to secure...I think that the majority of the Serbian people [words indistinct]

I can inform you that the Minister of Internal Affairs at a session of the Council today reported that in a number of municipalities throughout Croatia over 100 Serbs surrendered their weapons, not only guns, but also machine-guns and mortars which they received from ringleaders of Chetnik and terrorist groups in Croatia, who were trying to organize terrorist actions against Croatia. Now you can see that in this respect there are completely concrete results even in these crisis days when an increasing number of Serbs are voicing their disagreement with that terrorist activity, or the Serbian aggression on Croatia, namely that Croatian territories should be annexed to Serbia. The majority of Serbs in Croatia are aware of the fact that they should live with the Croatian people in peace and build our republic together. [passage omitted]

Tudjman on Agreement With Cease-Fire

LD0508132391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1151 GMT 5 Aug 91

[Text] Zagreb, 5 August (TANJUG)—Croatian President Franjo Tudjman has stated to Tanjug in connection with his talks today with members of the SFRY Presidency Vasil Tupurkovski and Bogic Bogicevic, and with Irfan Ajanovic, Vice President of the Yugoslav Assembly, that they have come on behalf of the commission set up by the Presidency of Yugoslavia for the implementation of the cease-fire.

The Yugoslav federal "troika" had talks today in Banski Dvori [Zagreb] between 1030 and 1230 with the president of the Republic of Croatia and his colleagues Josip Manolic, chairman of the crisis headquarters, Zarko Domljan, president of the [Croatian] Assembly, and Hrvoje Sarinic, head of the office of the president of the Republic of Croatia.

Tupurkovski, Bogicevic, and Ajanovic expressed their viewpoint that they personally, and in the name of the commission, wish to achieve the implementation of the cease-fire so that the preconditions might be created for a peaceful resolution of the Yugoslav crisis. Tudjman said. "We have expressed our agreement with a cease-fire, however, we let it clearly be known that we are sticking to the standpoints which we have already expressed before this and which were set out by the Croatian Assembly in the adopted conclusions," the Croatian president explained.

"For Croatia it is not acceptable that Branko Kostic be head of the commission, because he came to Croatia, to a village in which the spread of the bloodshed, in other words also the aggression in eastern Slavonia, in fact Borovo Selo, began," Tudjman said. Having assessed that such a visit was synonymous with giving open support to terrorists, the Croatian president maintained that this is more than a hostile step against the Republic of Croatia and against the territorial integrity and sovereignty of the Republic of Croatia. Tudjman said that for this reason "it is unacceptable for Croatia that Kostic head the commission, and especially that he come to Knin, as this group has informed us."

"We have expressed our agreement in that we want a cease-fire, and have expressed our wish to cooperate in the work of such groups wanting to visit some flashpoints," Tudjman said. He added that on the Croatian side it has been decided that Slavko Degoricija, deputy minister for internal affairs, and Zivko Juzbasic, a member of the government without portfolio, take part in these visits, but he specified that the group of the federal commission can go to Knin only in the presence of representatives of the government of the Republic of Croatia.

Tudjman Details Alleged Coup Plans

LD0508183291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1233 GMT 5 Aug 91

[Excerpt] Zagreb, 5 Aug (TANJUG)—"A well-staged attempt to topple the democratic government in Croatia proved unsuccessful," Croatian President Franjo Tudjman stressed at a regular monthly news conference in Banski Dvori in Zagreb today. Replying to a number of questions, Tudjman said that last week "a historic moment occurred when Croatian democracy passed its test."

The president of the Republic of Croatia explained that he had convened the Croatian Assembly to discuss the intensification of aggression against Croatia and to obtain support for a radical reshuffling of the government. "Those who are systematically and continuously working on a scenario to topple the democratic government in Croatia thought that a time had arrived to accomplish that," Tudjman said, and he substantiated it by saying that on 1 August armed intervention in Croatia was intensified, as were attacks by terrorists and the Yugoslav Army, and there were numerous casualties in Dalj.

Speaking about attempts to topple the democratic regime, the government, and even the president of the

republic, Tudjman said that it was staged by political underground forces and that political intrigues and rumours were being spread that some foreign countries had suspended their support for the Croatian democratic government and its leadership. That plotting was accompanied by the planned, groundless abandoning of some Croatian places by civilians so the refugees in Zagreb's Gornji Grad [the part of the city where the Croatian government is situated] would create an atmosphere convenient for toppling the government.

Tudjman did not name the organizers and participants of the attempt to stage a coup in Croatia, but he mentioned "anti-Croatian centers in Zagreb and some foreign countries that have a different approach toward the settlement of the Yugoslav crisis."

The Croatian president condemned some members of the ruling party, the Croatian Democratic Community, who consciously or unconsciously took part in that attempt, and he mentioned the gathering of forces of the extreme left and the extreme right.

This attempt at toppling the democratic government left Croatia more unified, Tudjman said while praising the setting up of the government of democratic unity.

The Croatian president replied to a number of questions regarding the current situation in Croatia. He, however, did not explain what a decision on freezing relations with Serbia means. "The Croatian Assembly reached a conclusion that Serbia, aided by the Yugoslav Army, stands behind the aggression and the outlaw terrorism," Tudjman said, and he announced that the government will take concrete measures based on such a decision by the Assembly.

Tudjman could not reply in concrete terms to a question of who will now command the Croatian National Guard, because General Martin Spegelj was relieved of that command. "I have not yet decided who the commander of the National Guard will be," Tudjman stressed. [passage omitted]

Zagreb Papers on Political Turmoil in Croatia

LD0508110491 Belgrade TANJUG in English 1014 GMT 5 Aug 91

[Text] Zagreb, August 5 (TANJUG)—The leading Zagreb dailies VJESNIK and VECERNJI LIST on Monday agreed that the recent political turmoil in the parliament of the Yugoslav Republic of Croatia has resulted in new unity and radicalization of its stand towards the neighbouring Republic of Serbia. VJESNIK believes that the Croatian parliament has 'avoided the bait' thrown to it by 'official Serbia.'

The Croatian parliament last Saturday accused Serbia of being the most responsible party for the war between the Croatian armed formations and the Serbian people in that republic, and adopted decisions on freezing all relations with Serbia and mobilization in the crisis areas. Between moderate opinions calling for 'the saving of what has remained outside the zone of aggression' and extreme demands for 'declaring a total war,' the parliament adopted a stand which cannot present Croatia as a 'militaristic and revenge-seeking power,' writes the paper.

VECERNJI LIST, which is close to Croatia's ruling party, the Croatian Democratic Union (CDU), assessed the election of the government of democratic unity as a major achievement in the current situation. It is a result of sobering up of all political factors because of the victims of war and the surmounted rift in the ranks of the CDU, writes the paper. The main battle inside the CDU was waged behind the curtains between the party's moderate members, favouring Tudjman's line of negotiation in Yukpia, and the radicals opting for 'fast solutions' and against negotiation, the paper writes.

'If they have reached sincere unanimity that strong defence preparations should be combined with openness for negotiation and internationalization, then that is what Croatia needs,' concludes VECERNJI LIST.

Papers View Croatian 'Discontent'

LD0508155791 Belgrade TANJUG in English 1310 GMT 5 Aug 91

[Text] Belgrade, Aug 4 (TANJUG)—The Yugoslav daily BORBA, which generally reflects the views of the federal government, opines today that the opposition in Croatia helped the Croatian Democratic Union (HDZ) and Croatian President Franjo Tudjman to remain in power.

President Tudjman is facing his first serious crisis since the republic's first multi-party elections in the spring of 1990, BORBA says.

Discontent has grown in Croatia with those who are heading it, because "Croatia has become a grave for youths and a country of chaos," BORBA writes, adding: "Given that the republic has thus far been led on a short leash by President Tudjman, it is precisely his own charisma that has suffered serious cracks."

In that situation the opposition formed a tacit coalition at the last moment, while the ruling party came under attack by its right wing, "inclined towards a total war and a general mobilization," so that Tudjman was compelled to accept a coalition government, BORBA concludes.

The daily DNEVNIA, published in Novi Sad, capital of the province of Vojvodina in the Republic of Serbia, agrees with the view that both Tudjman and the HDZ have experienced one of their "historic catharses."

However, in contrast to most Croatian media, DNEVNIK maintains that no benefit will arise from the formation of a government of national unity, as the assembly in Zagreb has only confirmed the "sacrosanctity" of the Croatian leader.

The Croatian parliament has not made a single step which would mean Croatia's translation from the trenches to the negotiating table, i.e. which would lead to peace, the daily concludes.

Krajina Serbs Accept Cease-Fire

LD0508182391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1712 GMT 5 Aug 91

[Text] Knin, 5 Aug (TANJUG)—"Representatives of the government of the Serbian Autonomous Region [SAO] off Krajina have accepted the Yugoslav Presidency's decision on an absolute and unconditional cease-fire." This was said today by the Vice President of the SFRY Presidency Branko Kostic, following a session of the members of the Commission for Control of the Truce in Croatia. Today he stayed in Knin together with some members of the commission, including Federal Deputy Secretary for National Defense Admiral Stane Brovet, and talked with Krajina's leadership.

According to Kostic, some of the commission members visited Zagreb today and they probably visited Slavonija too. Kostic warned, however, that "there is a series of problems but these are issues which we have agreed to solve together, and of course, together with representatives of the Croatian authorities."

Commenting on the significance of the cease-fire, Kostic emphasized that this is the first and small, albeit unconditional, move one needed "to embark on solving all the problems in a peaceful way."

Asked whether the Republic of Croatia will accept the truce, Kostic informed the press that "Vasil Tupurkovski, member of the SFRY Presidency and of the commission, who visited Zagreb today, has informed him that Croatia will also accept the truce. I have no further details, he said, but we will discuss this issue more thoroughly in Belgrade at a session of the State commission for Control of Truce tonight or in the early hours of next morning."

In a statement on his acceptance of the truce, President of the Krajina SAO Government Milan Babic doubted that the other side will comply with the decision, but nevertheless a hope that the cease- fire will be accepted.

We have accepted the cease-fire together with guarantees on the part of the Yugoslav Peoples' Army in the hope that the other side will also observe this cease-fire and withdraw to an adequate distance and that it will not threaten Krajina's forces and its people," Babic said. "If the Croatian side accepts this cease-fire, I hope that we will, in cooperation with the activities of the Commission for Control of Truce and the state presidency, sail into calmer waters as far as solving the political crisis in Yugoslavia is concerned," Milan Babic stressed.

State Council Blames Serbia for EC Failure

LD0508204591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1805 GMT 5 Aug 91

[Text] Zagreb, 5 Aug (TANJUG)—The republican Information Ministry informs that the Croatian Supreme State Council met today in Zagreb under the chairmanship of Croatian President Franjo Tudjman. The session considered the situation created after the failure of the EC ministerial mission.

President Tudjman briefed the council on two proposals prepared by the EC: first, a memorandum on expanding foreign observer missions to Croatia, and second, an agreement on cease-fire and talks on the future of Yugoslavia. In talks with the ministerial troika, Croatia approved the EC proposals, even the one stipulating that patrol groups controlling the cease-fire be composed of representatives of Croatia, the Yugoslav People's Army, and the Serbian people in Croatia.

Following an agreement reached in principle between the Federal and republican authorities and the EC representatives, the representatives of Serbia, Montenegro, Vojvodina, and Kosovo failed to come to a meeting of the Federal Presidency that was scheduled for 4 August.

The statement stresses that the Council concluded that through this unprecedented and arrogant act, the Serbian and Montenegrin authorities showed their opposition to internationalization of the crisis in the Republic of Croatia and to an EC mediation and peace-keeping role. The failure of the Serbian and Montenegrin representatives to come to an expanded session of the Federal Presidency shows that these two republics are resolute in pursuing their conquest and political goals by violent means, despite the fact that they are now discredited in the eyes of the world.

By this action, the greater Serbian politicians finally revealed to the international public that a greater Serbia is being created under the cloak of a Yugoslav minifederation, the statement continues.

After discussing the consequences which the failure of the high representatives of the European Community will have for Croatia, the council was unanimous about the necessary steps in connection with the standpoints of the European troika, that it will support a peaceful solution of the crisis in Yugoslavia, and that it will actively strive for a cessation of warfare in Croatia. In this respect, the council considers that all available forces should be encouraged to defend the peaceloving and democratic policy and sovereignty of Croatia.

The council further considers it necessary to emphasize that the Republic of Croatia should strengthen its relations with the EC Council of Ministers and all other important international groups to achieve a peaceful solution. In the defense against aggression, Croatia will agree to urge the relevant factors of the EC and other friendly countries to activate the security mechanism of the CSCE.

The council also agreed with the proposal to initiate the holding of an international conference on Yugoslavia within the CSCE framework. Satisfaction was also expressed with the fact that the international and especially European state and political factors are increasingly realizing that international recognition of the independence of the Republic of Croatia represents the best way to stop the war conflict and the aggression by the Republic of Serbia against Croatia. Because the conflict, which results from the pretensions for conquest against Croatia, threatens peace and security in this part of Europe, the council decided to support the initiatives to convene the UN Security Council which would, with its authority, facilitate a peaceful solution of the war conflict as well as prevent aggression against the Republic of Croatia, the statement on today's session of the Supreme State Council of the Republic of Croatia says in conclusion.

Fighting Reported Overnight in Several Towns

LD0608075491 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 6 Aug 91

[Text] Here is a brief roundup of events in Croatia overnight.

On two occasions there was firing from Klisa in the direction of Sarvas: on the first occasion from machine guns and on the other from tanks. Terrorists based in Mirkovac fired shots in the direction of Vinkovci and from Trpinja in the direction of Borovo Naselje. Several explosions were heard in Osijek.

Terrorists fired about a dozen mortar shells from Ploce in the direction of Gracac. There was a strong explosion at the bus station in Gospic. Several barrages of fire were directed at Otocac from Staro Selo.

At 0240 in the old part of Karlovac an explosion destroyed a kiosk owned by BORBA newspaper. There were explosions in and around Zadar. Two explosions above Bibinje destroyed an electricity pylon. The ceasefire is being observed in and around Krusevo.

Vekic To Increase Police Effectiveness

AU0608084391 Hamburg DIE WELT in German 6 Aug 91 p 5

[Report on interview with Croat Interior Minister Ivan Vekic by Boris Kalnoky; place and date not given: "Police To Be Militarily Organized"]

[Text] Zagreb—Ivan Vekic, the new Croat interior minister, plans to organize his country's police force militarily to make them stronger for the fight against Serbian partisans. At the same time, special units will be formed from among the ranks of Croat refugees. These special units will be assigned to the Interior Ministry, and their task would be to reconquer the villages that are occupied by Serbs.

In an interview with DIE WELT, Vekic said that "more than 300 volunteers have already registered within two days. We must make full use of the combat readiness of these people who have lost everything." Vekic stressed that in view of Croatia's special situation, the police will primarily have to take over defense tasks and support the National Guard. That is why the police must be "militarily reorganized." At the same time, "police forces in quiet regions will also be prepared for combat missions at the front."

However, according to Vekic, these comprehensive preparations for war on a large scale do not spell a change in strategy. The principle continues to be valid that "at the same time, we must also negotiate in every phase of the conflict, and we must not provoke the Army." Vekic adds that "some units of the National Guard are able to achieve great successes—conquer barracks, for instance—but that would be nonsense because then we would be confronted with the fire power of the whole Army, which is superior to us." However, if "the aggression of the Army continues, we do not rule out the possibility that units of the Federal Army will be attacked."

Commenting on the EC troika's unsuccessful mission, Vekic said that the only helpful measure would be to dispatch European peace-keeping forces to Yugoslavia, which would, however, have to be deployed "along Croatia's legal borders, and not somewhere along some front." He said that it would only make sense to dispatch a "genuine armed force." "In the Balkans, nothing can be achieved with symbolic troops."

The minister confirmed that the comprehensive cabinet reshuffle by President Tudjman is also the result of increasing pressure by the people. He admitted that the National Guard is annoyed at the military restraint exercised by the Croat leadership toward the Federal Army. He said, however, that, basically, nothing will be changed about this policy. Vekic rules out the possibility of National Guard officers overthrowing the government "because this leadership is a government of national unity in which all parties represented in the legislature have a share." In addition, given the people's unity, any possible attempts by the Yugoslav secret service to overthrow the Croatian government are doomed to failure.

Vekic said that "above all, the military secret service has been very active." One of the largest problems is the demoralization of the people by "agents who create panic by spreading false rumors and disinformation." Therefore, the Interior Ministry will set up a propaganda department, said Vekic.

Conscripts Urged to Stay in Federal Army

LD0508162291 Belgrade TANJUG in English 1204 GMT 5 Aug 91

[Text] Belgrade, Aug 5 (TANJUG)—The Yugoslav Defense Ministry said today that military organs were

receiving increasing numbers of requests from parents of conscripts from the Republic of Croatia that their sons remain in the Yugoslav People's Army (YPA) for longer than the duration of their army service.

The parents explain that their sons are mobilized by Croatian Interior Ministry forces and the national guard corps, a paramilitary formation, as soon as they return to be engaged in the front lines of the most dangerous actions, the Defense Ministry statement said.

In their requests, the parents advise their sons to remain in the YPA for as long as possible or not to return home after their army service expires, so that they would not be forcefully mobilized by the Croatian authorities.

The Defense Ministry statement says that the majority of these requests are from the areas of Istria, Rijeka and Split (coastal parts of Croatia), and Osijek, Virovitica, Vinkovci and Zupanja (crisis spots in the Croatian region of Slavonija).

Armed forces of Croatia and Serbs from this republic, who wish to remain in Yugoslavia, have been engaged in armed conflicts for several months in some parts of Croatia, which on June 25 adopted a decision to secede from Yugoslavia.

Combat Reportedly Continues in Osijek

LD0508172891 Budapest Kossuth Radio Network in Hungarian 1600 GMT 5 Jul 91

[Text] At a news briefing, the mayor of Osijek warned that it is to be feared, after the failure of the international reconciliation actions, that combat actions will intensify in Croatia. Iren Kovacs reports from Osijek:

[Kovacs] Five hundred and fifty-six tanks are already stationed along the border of the Republic of Croatia. At the same time, the movement of tanks and armored cars [words indistinct] within the territory of Croatia, combined with the occasional low flights of military aircraft, have become everyday phenomena.

It is increasingly difficult to summarize the incidents in eastern Slavonija, and now in the territory of Baranja, in a brief report. It is still not possible to approach the territory of Dalj, which has been occupied by the military, and where, according to certain sources, several hundred local inhabitants were massacred and buried in a mass grave. At the same time the empty houses are being plundered and looted. Yesterday afternoon, the corpses of 35 brutally murdered people were found in the local Catholic cemetery in Dalj. These were civilian corpses. This report was confirmed by the mayor of the town of Osijek, and by the police headquarters in Osijek.

During the night, two bombs exploded in Osijek, one of them in the center of the old castle of Osijek, which is a [word indistinct] category historic building. In the early afternoon hours today, tanks again circled around Osijek airport, and they were also joined by military aircraft. It is feared that this will soon be the next target of the military's attack.

We say, by way of conclusion, that the number of refugees in Osijek increased today to 5,500. Within this, there are 1,930 registered refugee families.

Villages Burned in Gospic Area

LD0508165991 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 5 Aug 91

[Text] In the course of mortar attacks from several directions, the terrorists—as we have already reported—today attacked the villages of Lovinac and Ricice. According to a report released half an hour ago by the Gospic police administration, the terrorists have burned down the hamlets of Beregino Polje and Smokvice and the village of Sarice and have taken away five men and a woman with two children, toward an unknown destination.

Kaja Saric, born in 1909, was taken to Gospic hospital shortly after 1500. She sustained serious injuries from a mortar grenade. The police have no report whether there are any wounded members of the Ministry of Internal Affairs, who are waging a fierce battle with the terrorists.

As I report this, there is still shooting going on from the direction of Stihada toward the village of Ricice; while Lovinac itself is calm. Members of the Army who are stationed in Lovinac and its surrounding areas have promised that they will do their best to facilitate an early return of the persons taken hostage from the burned villages.

Serbia

Draskovic Views National Division

AU0508132291 Vienna PROFIL in German 5 Aug 91 pp 42-43

[Interview with Serbian Nationalist leader Vuk Draskovic by Ernst Schmiederer in Belgrade; date not given: "Divide Yugoslavia Into Cantons"]

[Text] [Schmiederer] Serbia is at war with Croatia. Do you have a proposal that might lead to peace?

[Draskovic] Serbia is not at war yet, although it might be tomorrow. We must therefore make it clear to the Serbs and Croats that the two regimes, that of Tudjman and that of Milosevic, do not want peace but war. Both are dictatorships, and both are governed by the worst and most unable people. They are not even able to give the people jobs, pay them decent money, or offer them a European standard of living. Both Tudjman and Milosevic are relics of the past. For them war is a maneuver to distract attention from the disaster they themselves created. Both are ready to sacrifice hundreds of thousands of lives.

[Schmiederer] So what should be done?

[Draskovic] Serbia's salvation lies in destroying much-vaunted Serbian unity. We can salvage Serbia if we stand up against the government. The same is true for Croatia. Until then all sides must talk to one another. Peace negotiations must be assumed immediately. Tudjman, Milosevic, Kucan, Izetbegovic, all representatives of the opposition must participate, as well as leading personalities from the spheres of culture and science, representatives from the EC, the USSR, and the United States.

[Schmiederer] Is that not a bit much?

[Draskovic] Why? Moreover, everything should be broadcast on television. If the Yugoslav nation were to see all that on television for two days, a peace treaty would be signed on the third day. The United States and the EC must simply force those lunatics to organize such a meeting.

[Schmiederer] You have prepared a map that shows the new borders of Yugoslavia. Do you think that new borders might bring a solution?

[Draskovic] I know that my map has many weak points. I am ready to accept any proposal that is better. The map of Yugoslavia looks like a leopard skin. Nobody can draw fair borders, particularly when one considers all those mixed marriages between Serbs and Croats. There are 70,000 mixed marriages in this mad country! I have proposed to divide Yugoslavia up into cantons. Create cantons for Serbs, Croats, and Muslims and we would not have to change the borders, but could simply create Serb regions within Croatia.

[Schmiederer] This is exactly what the Croat government has now proposed.

[Draskovic] It should have done so last year. Now it is no longer possible without giving up Croat independence at the same time.

[Schmiederer] So what should Yugoslavia look like in the future?

[Draskovic] The best map continues to be the map of Yugoslavia. If Yugoslavia ceases to exist, we must draw up new borders. In that case I suggest new borders for Serbia, Montenegro, Macedonia, and Bosnia, and I suggest that they join in a federation and form a confederation together with Croatia and Slovenia.

[Schmiederer] What about the Albanians in Kosovo, are they not part of your plans?

[Draskovic] The Albanians have nothing to do with that at all. They are neither Serbs nor Croats. The Croats need their land because they do not have another homeland. The same is true for the Serbs and the Slovenes—they do not have another country either. However, the Albanians have their home country—Albania. Here they are only our guests. If a war were to break out in Kosovo it would be bloody and short. The People's Army knows in which direction it would have to force the enemy—into its home country. If the Albanians in Kosovo were to revolt we would make it clear to them that they are welcome to go to Albania, but that the country remains ours.

[Schmiederer] Walking through the pedestrian precinct in Belgrade six months ago, posters and stickers with your picture were sold everywhere. Now your picture has been replaced by that of Vojislav Seselj.

[Draskovic] First of all, I never go to the pedestrian precinct. Second, I do not want to talk about that man. It is obvious that he collaborates with Milosevic. He does the dirty work for the Communists.

[Schmiederer] So you think that Milosevic is trying to divide the opposition with the help of Seselj?

[Draskovic] That is exactly what he is doing.

[Schmiederer] A few weeks ago you proposed to recruit volunteers to set up an independent Serb army. What has become of that plan?

[Draskovic] We are doing everything to build up such a professional and non-partisan army that would look like the Serb Army prior to 1918. It is intended to protect Serbia against foreign armies but not intervene in the internal political struggle. This is why His Royal Highness Aleksandar II will visit Belgrade in October. We offered him the position of supreme commander of the Serb Army.

[Schmiederer] Is he going to accept that noble offer?

[Draskovic] Well, we have made the offer. If he comes to Belgrade in October, we will have set up that army.

[Schmiederer] What are you personally doing for it?

[Draskovic] We support the project financially and intellectually.

[Schmiederer] Who is going to buy the uniforms for the 60,000 men?

[Draskovic] They will buy them themselves.

[Schmiederer] And their arms?

[Draskovic] So far all they have is what they brought with them.

[Schmiederer] Is there a commander yet?

[Draskovic] Yes, an intellectual, a very powerful personality. He fought in an alien army, posesses great military knowledge and has three university degrees.

[Schmiederer] What else is this boy wonder capable of?

[Draskovic] He knows six languages: English, Latin, Ancient Greek, and Hebrew. [as published]

[Schmiederer] Will he fight against Kapetan Dragan and his Krajina militia or along with him?

[Draskovic] Why against him? If it were to become necessary to protect Serbia against Albanian or Croat aggression we would all fight side by side.

Vice President on EC Mission

LD0508210891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1931 GMT 5 Aug 91

[Text] Belgrade, 5 Aug (TANJUG)—The Serbian government could not influence the SFRY Presidency. The Presidency itself made a decision that at this moment it was not necessary to involve the EC observer mission in Croatia, since a Yugoslav state commission, whose task is to oversee the Presidency decision on absolute and immediate cease-fire, had already been formed.

This was stressed by Serbian Vice President Budimir Kostic, at today's Serbian government news conference. He stressed that it was clear from this that the Republic of Serbia was not to be blamed for the failure of the EC mission.

Serbian Foreign Affairs Minister Vladislav Jovanovic today expressed regret because the EC mission was not successful, although "all conditions for its success existed."

The fact that the Yugoslav state commission is authorized to implement an immediate cessation of armed conflicts should have been respected. Powers of the state commission are broad enough for the EC to find a place for its activity, Jovanovic said, adding that "with more flexibility, the current problem between the EC and Yugoslavia would have been resolved."

Asked what he thinks about a possibility that the EC will introduce economic sanctions against Yugoslavia and Serbia, he stressed that it would not be good if such a decision is made on the basis of the situation that contains many misunderstandings.

Asked what misunderstandings he had in mind, Jovanovic said that he had in mind a rash interpretation of Stipe Mesic's statement at a meeting between the EC and members of the state commission that representatives of all republics are attending the meeting, apart from Serbia. By ignoring Branko Kostic's interpretation, the EC delegation had reached a conclusion inappropriate to the situation and in full contrast to the facts and Serbian policies, Jovanovic stressed. He added that Serbia has no territorial pretensions over neighbors, nor does it want prolonged armed conflicts.

Asked whether any country expressed support or understanding for Serbian stands, Vice President Budimir Kostic said that all those urging respect for democracy and peace will be Serbia's friends. "Hence, if they are not siding with Serbia, they will do it soon," he said.

Asked by a reporter from Dutch radio whether Branko Kostic, by going to Borovo Selo and saying that the Serbs in Croatia are subject to state terror and that he supported armed Serbs, was perhaps not objective enough to head a state commission, Kostutic said that the EC knew well that Stipe Mesic was not neutral at the moment when the EC urged his election. Even Ante Markovic proved to be baised, Kosutic said, adding that Branko Kostic is just the head of the state commission, in which are representatives of Bosnia- Hercegovina, Macedonia, Slovenia....

Asked about talks between the EC representatives and Slobodan Milosevic during which—according to the Dutch radio reporter—Milosevic promised to support the EC memorandum, Foreign Minister Jovanovic said that although he attended the talks, he did not get such an impression.

Milosevic was noting that Yugoslavia, as an independent country, cannot accept foreign military presence on its territory. So he did not reject the idea of civilian observers, but only military ones, Jovanovic stressed.

Jovanovic also stressed that Serbia opposes creation of paramilitary formations in Yugoslavia. The Republic of Serbia did not send a single armed person to Croatia. It is a different matter if individuals decide to cross into Croatia to defend their families. This is not the official Serbian policy, nor could one find a single piece of evidence that this republic is involved in the arming of Serbs in Croatia, Jovanovic said, adding that the arming of Serbs in Croatia was forced upon them through repression waged against them.

Jovic Accuses EC's Van den Broek of Lying

AU0508142491 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 5 Aug 91

[Text] Borisav Jovic, member of the SFRY Presidency granted an interview to Belgrade Radio about the current political situation in the country. We will broadcast the entire interview on the "An Argument More" program. Let us now hear what Jovic said about the statement made by Van den Broek that Serbia should be blamed most for the failure of the EC's mission.

[Begin Jovic recording] First of all, this is a common lie. All members of the Presidency from Serbia voted in favor of the cease-fire, as did all other members of the Presidency, except the representatives of Croatia. If anyone is in favor of peace, it is obviously us. If anyone is in favor of bloodshed, it is obviously the Croatian (?representatives) in the Presidency.

Furthermore, I think that this campaign against the Republic of Serbia is a part of a wider and more comprehensive campaign that has been conducted against the Serbian leadership for a long time, but that it will soon be discredited and that our people will not accept it because it is false. [end recording]

Socialist Party Assails EC Statement

LD0508172591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1521 GMT 5 Aug 91

[Text] Belgrade, 5 Aug (TANJUG)—In connection with a statement made in Amsterdam by Dutch Foreign Minister Hans ven der Broek that "the political leaders of Serbia are responsible for the mission's failure, because they refused to accept [foreign] military forces in their country", the executive committee of the Serbian Socialist Party [SPS] has sent to TANJUG a statement concluding that "this was a scandalous assessment".

The statement recalls that the EC made three demands: the suspension of Croatia's and Slovenia's independence decisions, the cessation of all hostilities, and the implementation of the constitution of the SFRY Presidency through the election of the proposed candidate from Croatia to the post of Presidency president. "Serbia fulfilled the third demand, which applies to it, since the EC guaranteed that Croatia and Slovenia will accept the first two demands," the SPS statement notes.

The SPS assesses that Croatia has not observed the cease-fire, since its military and paramilitary formations have stepped up attacks on the Serbian people in Croatia, resulting in "scores of dead people, hundreds wounded, and tens of thousands of refugees, and destruction. The EC did not monitor these obvious breaches of cease-fire on the part of Croatia, nor did it blame the leadership of the Republic of Croatia for them."

The statement then goes on to stress that the EC representatives did not accuse Croatia for—as it puts it—"failure to endorse the SFRY Presidency decision on absolute and immediate cease-fire," but they instead "criticized the adoption of the decision without securing everyone's approval. Unanimity is not a precondition for the legitimacy of SFRY Presidency decisions, nor is it a precondition for the validity of the EC and UN decisions," the SPS statement cites.

The SPS executive committee statement stresses that "instead of insisting that all Yugoslav republics observe the EC cease-fire, and instead of supporting decisions of the top SFRY state body, the EC representatives demanded that their memorandum, which calls for the deployment of foreign troops in Yugoslavia, be accepted. The Presidency rightly rejected the memorandum, because the presence of foreign military forces is neither necessary nor in accordance with the independence of the Yugoslav state."

The statement assesses that at yesterday's talks with the EC representatives, Stipe Mesic invited—apart from the previously invited Janez Drnovsek, Vasil Tupurkovski, Branko Kostic and himself—some other Presidency members and persons who are not Presidency members. "This manipulation was aimed at publicly discrediting the SFRY Presidency by urging new decisionmaking on the already rejected memorandum and creating the impression that the Serbian representatives are opposed to such talks. In doing so, Mesic only revealed his undemocratic, disloyal, and aggressive personality and proved once more that those who opposed his election to the post of the president of the SFRY Presidency were right," the SPS statement concludes.

The SPS assesses that "the EC ministerial delegation allowed itself to be manipulated; it overlooked the fact that Croatian representatives are opposing the only legal and democratic way of ending war conflicts in Yugoslavia; and the leader of the EC troika, van der Broek, showed himself to be completely biased," the statement of the SPS executive committee concludes.

National Council on German Initiative

LD0508222391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1424 GMT 5 Aug 91

[Text] Novi Sad, 5 Aug (TANJUG)—The Serbian National Council of the Autonomous Region of Slavonia, Baranja, and Western Srem today refused the initiative of German Foreign Minister Hans- Dietrich Genscher that "the CSCE top level crisis mechanism should decide on the future of the Serbian people living in Slavonia, Baranja, and Western Srem."

This is said, among other things, in a statement sent to TANJUG in Novi Sad today that was signed on behalf of the National Council by Ilija Petrovic. The statement also points out that "the council has also declined European mediation and domestic offers of Serbian autonomy within Croatia and under Croatian jurisdiction."

Refusing Genscher's proposal, the council makes it clear in its statement that "in such a commitment the Serbian people have unmistakably identified the atmosphere of Munich's beer cellars of fifty years ago and their contribution to the history of human insanity and the most horrendous genocide in human history."

Further on the statement says that "the Serbs in Slavonia, Baranja, and Western Srem decided at their Grand People's Assembly to remain in Yugoslavia with the other parts of the Serbian people and Yugoslavia's other nations that want to live in a Yugoslav state community. This decision was influenced neither by Serbia nor by Germany just as neither Croatia nor Germany nor Europe can deny them the right to remain within their ethnic borders. Nor can they be eliminated from this land," it is said at the end of the statement of the Serbian National Council of the Autonomous Region of Slavonia, Baranja, and Western Srem.

Number of Serb Refugees From Croatia Increases

LD0508190191 Belgrade TANJUG in English 1539 GMT 5 Aug 91

[Text] Belgrade, August 5 (TANJUG)—A total of 35,015 Serbian refugees from the Republic of Croatia have been registered at the Red Cross of the Yugoslav Republic of Serbia until Monday.

The number of the registered refugees rose by 189 on Sunday, according to the Red Cross' figures.

There are 20,278 refugees in the province of Vojvodina (Republic of Serbia), 14,670 refugees have been registered in Serbia, counting out its provinces, and 67 in the province of Kosovo (Republic of Serbia).

Around 2,000 people fled Croatia's crisis-torn regions of Slavonija, Baranja and Western Srem to Vojvodina over the last weekend alone, as the Vojvodina Information Committee announced today.

Most refugees, or 3,300, have been accommodated in Novi Sad, followed by 2,231 in Sombor, 1,959 in Apatin, 1,648 in Sid, and 1,255 in Odzaci.

Rugova Comments on Kosovo, Albania

AU0208100291 Pristina ORA in Albanian 18 Jul 91 pp 5, 7

[Unattributed Radio Tirana interview with Kosovo Democratic Alliance Chairman Ibrahim Rugova, date not given: "A Stable Albania—a Help for All Albanians"]

[Text] During his stay in Albania, Kosovo Democratic Alliance [LDK], Chairman Ibrahim Rugova met many state personalities and figures from political life. He also gave an interview to Radio Tirana, which we here publish in full.

[Radio Tirana] What is the present situation in Kosovo, within the context of recent developments in Yugoslavia?

[Rugova] Kosovo has not only been tense for the last 10 years, but has been subjected to Serbian terror, especially in the last two years. Of course, the situation in Slovenia and Croatia is also reflected in Kosovo. This is evident in the arrival of reserve forces of the Army and the Serbian militia and the mass arming of the Serbian and Montenegrin population. The aim here is to kindle some kind of interethnic conflict in Kosovo. So far we have not had interethnic conflict, but conflict between the Albanians and the Serbian authorities, which have deprived them of all their rights, their independence, autonomy, economy, education, and culture. This is the new situation, which could lead to conflicts of various kinds. In this situation, in which we are undefended and unorganized from the point of view of defense because of the objective impossibility of such a thing, there is an even greater danger of some kind of great massacre. As a political party, we have informed the world of this, and have encountered a positive response. The LDK is well organized in Kosovo and we are very alert. We are watching the situation closely at every moment through the various media, so that we will not be surprised by the attacks that may take place.

[Radio Tirana] We learned recently about the creation of an interparty coordinating council of Kosovo's Albanian political parties. How did this council arise and what are its principal tasks?

[Rugova] First, I should say that the coordinating body of the political parties is in the process of formation, and will coordinate the work of the political parties on matters of national interest, in other words, will coordinate the different specific aspects of our resistance. This was people's demand and the demand of the political parties. At one time, the question of forming a national forum arose in Kosovo and among the Albanians of Yugoslavia, and various views surfaced in this context. However, we decided on the formation of a council of political parties, on the basis first of all of the real opportunities available to us, because other kinds of organization would have different functions and would be hard to organize. We think that we must achieve a degree of organization among all the Albanian political parties in Yugoslavia and Albania. This would represent a further step toward the coordination of common national interests and would be the first step toward the Albanians' political integration.

This is the aim of this coordinating body in Kosovo.

[Radio Tirana] What is your view of recent developments in Albania? I am thinking here of the creation of the Government of Stability and the cooperation among political forces in Albania.

[Rugova] I take a bright view of events in Albania now, because when I was here for the first time in February there was great turmoil, in which people were also unfortunately killed. This seriously distressed us in Kosovo. Nevertheless, one can now see a more stable situation and I believe that the Government of Stability will succeed in taking the first tangible steps toward calming the economic and social situation, which is a very difficult task. When I was at some gatherings organized by the Democratic Party in Kavaje and Rrogozhine, I also saw that people have reached a new level of political awareness. They talk about problems and the first stage of euphoria at the foundation of parties and other political organizations has passed. This cheered me greatly, because people have now begun to master political life and democracy. Similarly, the consensus reached among the different political parties for the formation of the National Stability Government is a good step. Also, the other party that used to be in power finally realized that it could not avoid democratic processes and is now making its own contribution. I think that the government should now take tangible steps to make contact with other governments in order to meet the demands of the market and the population for staple goods, so that people will then return to work. Nothing can be achieved through the old structures, and in our talk with the prime minister we understood that he too thinks that the aim must be to activate new mechanisms, because people necessarily have to return to work. I now see that the law on land ownership has become a reality. I think that this

problem in Albania must be solved gradually. It is highly difficult, because everything was collectivized in Albania, even people. Private property should bear the main burden, but there is a place for state property, as in every civilized country. I am optimistic about overcoming this situation, and the announcement of elections will be another important step in this direction. What has been achieved should not be destroyed.

[Radio Tirana] How do you judge the recent resolution of the Albanian People's Assembly on Kosovo?

[Rugova] I think the resolution is a good one. With it, Albania has started to take concrete steps toward solving the Kosovo question. Albania is rising above the level of political journalism and of supporting us with words, and is now taking concrete steps. This is apparent from the most recent step. Albania's summons to join Europe, specifically the CSCE, and the visits of ministers from Europe and the United States, are good signs that Albania is finally beginning to defend the interests of all Albanians. The second resolution was very well aimed, and came at the proper time. I think it made everybody here more sensitive to the question of Kosovo, the cause of the Albanians in Yugoslavia, and that of Albanians in general. This cheered me greatly. The purpose of our visit too is to determine various forms of action and cooperation, in order not to be confined to words. We Albanians are at a stage at which we have achieved freedom of expression, but we must work more in the political field with tangible steps and analysis. Albanian culture and science should do this too. Let them become active as soon as possible. The assembly will no doubt approve new laws, but the government and the new structures must act too and invigorate Albania.

[Radio Tirana] What role can Radio Tirana play, bearing in mind that the mass media in Kosovo have been closed down?

[Rugova] That is a very pertinent question. Allow me to make some suggestions. We six or seven million Albanians in the Balkans, after the closure of the media in Kosovo, must at least find a way of ensuring a non-stop 24-hour Albanian radio program, including a night program. The possibility of a second, more free radio service must also be studied. This could be official or private. Let us see how things go. It could be a state service, but it must be more free and longer, because people need to hear Radio Tirana and to hear Albanian. Those who work at night, workers and drivers, should not have to listen to foreign stations, because they want to hear Albanian. They want music and other programs. In this way, we could build up resistance to influences that could be imposed on us in certain circumstances. Likewise, Tirana Television should have several channels. This calls for great resources, but let us get used to working with few resources, without folly of grandeur, without big buildings, and in a room with a few cameras. This is necessary. The radio would be especially welcome, because the radio is listened to a great deal in Kosovo, while the television has been jammed by special equipment since 1981. People have been listening to the radio a great deal recently. They say that Albanian radio reporting is opening up. We are glad about this, but we need 24-hour radio.

Rugova: Albanians To Demand Withdrawal From Army

AU0508124491 Tirana ATA in English 0848 GMT 5 Aug 91

["The Problem of Kosovo Cannot Be Covered Up With Conflict in the North—Ibrahim Rugova States"—ATA headline]

[Text] Tirana, August 5 (ATA) — The Serb police, reservists and civilians, together with the Army of Yugoslavia, are provoking the Albanians every day, Dr. Ibrahim Rugova [chairman of the Kosovo Democratic Alliance] stated at a press conference. Because of the grave situation of the Albanians in the Yugoslav Army, the Albanian people will demand their with-drawal from this Army, the latter's stationing in barracks and its withdrawal from Kosovo: Radio-Kosovo cited him as saying.

Dr. Rugova hailed the stand of the USA and the European Community for the solution of the crisis in Yugoslavia with the Albanians' participation in the talks.

Whereas in a statement for the newspaper BUJK, Dr. Ibrahim Rugova, says among other things: during the meetings I had with parliamentary officials in Bonn, Italy and Albania, they underlined that the Albanians must take part in the coming talks on the future of Yugoslavia. This means that the problem of Kosovo is on the agenda and it cannot be covered up with the conflict taking place in the north of Yugoslavia.

Call For Creation of Kosovar 'Defense System'

AU0508153591 Pristina BUJKU in Albanian 21 Jul 91 p 3

[Editorial Commentary by Radio Croatia's Albanian-Language Service; date not given: "For a New Organization of Our Forces"]

[Text] We do not think that one can find any right-thinking Albanian who wants war in Kosovo. Kosovo has witnessed great horrors throughout its history, and has not seen the back of them in the last 10 years, so full of blood and state terror. However, it must be clear to all those involved in politics in Kosovo, those who are taking the destiny of the Albanian people into their hands and are calling for it to be decided, that neither Slovenia or Croatia wanted war either. It was visited on them by others. The war virus is being carried by Serbian officers, who after half a century have shed their partisan cloaks to reveal Chetnik cockades. Kosovo is filled with reservists, whose black beards jut from under their caps with red stars. It is quite intolerable that such a situation should find the two million-strong population of Kosovo

unprepared to defend itself. There is therefore no need for a psychological somersault, branding all those who demand the creation of a defense system as people who want war and a disaster for their people.

In the last 18 months, the political parties of Kosovo have done their work, and their contribution, especially that of the Kosovo Democratic Alliance, has been a major one. As hitherto, the option of peace must remain in the future the most desirable way out of this maelstrom. However, peace calls for conciliation between both sides, and this disposition does not at present exist on the Serbian side. Moreover, the Albanians cannot behave like an Amish sect, and they too must organize themselves better for defense, like others in this state. It is not the political parties who can organize a defense system in Kosovo. This is clear to everybody. It is precisely for this reason that the demands for a new form of organization, a new organization of forces demanded of us at a time when war is knocking at our door, are timely. One concrete step in this direction is the formation of the Interparty Council, about which talks among the parties are still taking place. The majority view is that the formation of this council will be an appropriate step only on the condition that the council activates and fully staffs the legitimate government, or creates what is called a provisional government of national salvation, to be formed by agreement with and following a vote among the Kosovo legislators. This Interparty Council will be effective only if it gives proper consideration to a reorganization of the forces of the Kosovo Assembly, i.e., the deputies of the Republic of Kosovo, and if this Interparty Council initiates the formation of what is called a national forum consisting of a number of the most authoritative people in Kosovo, who will make decisions and supervise their enforcement by temporary executive organs.

The demands are clear. There is no time left. It would be fatal for everybody if any individual or party were to obstruct these initiatives out of a desire to preserve his own position, however advantageous it may appear to him at the moment.

Vojvodina Party Criticizes Mesic Actions

LD0508184491 Belgrade TANJUG in English 1610 GMT 5 Aug 91

[Text] Novi Sad, August 5 (TANJUG)—The province committee of the Socialist Party of Serbia (SPS) for Vojvodina today accused Yugoslav State Presidency President Stipe Mesic of "deluding the European Community mission and groundlessly accusing the Republic of Serbia of opposing accords on settling the Yugoslav crisis in a peaceful way."

In an announcement sent to TANJUG today, the SPS province committee said "Stipe Mesic's declaration at a State Presidency session against a decision on a ceasefire in Croatia was the best evidence about who was for peace and who was for the further bloodshed and the fomenting of a civil war."

It is clear that the "Croatian leadership and Yugoslav State Presidency president want to conceal from some of the domestic and international public their genocide-oriented policy and the war which they waged against the Serbian people in Croatia," the announcement said.

The SPS province committee demanded the Serbian Government to inform the Yugoslav and international public about "Mr Mesic's calculated manipulations intended for the European Community mission and international public and to the detriment of Serbia."

Macedonia

VMRO Withdraws Proposal on Independence

AU0508160291 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 5 Aug 91

[Branka Danas report]

[Text] The Macedonian Assembly has not yet resumed the session that was adjourned on 2 August. The deputies are supposed to conclude the discussion on the political-security situation in the country and the current position of Macedonia. They are looking for the best legally valid solutions to ensure international recognition of Macedonia in the shortest possible time.

The republican government and the commission for constitutional matters of the republican assembly met today. The leaders of the legislative caucuses also met to harmonize their differing views. The Social Democratic Alliance of Macedonia and the Reformists-Liberal Party are proposing a referendum at which the citizens would decide whether they want an independent and sovereign republic within an alliance of sovereign states of Yugoslavia.

The deputies of the VMRO-DPMNE [the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] today withdrew their draft declaration on independence but presented a new document, a draft constitutional law on attaining independence that would be adopted in a swift procedure, and a document on holding a plebiscite at which people would be asked two questions: First, whether they are in favor of an independent, sovereign, and autonomous state of Macedonia; and second, whether they are in favor of an alliance of six sovereign Yugoslav republics. In this way the stands have to some extent been brought closer to one another.

As we have unofficially learned—a statement is being worked on and has not been presented to journalists yet—the government of Macedonia believes that the best thing would be to organize a referendum as soon as possible, as early as 8 September, and to speed up the adoption of the republican constitution. The constitution has been prepared and would give the best answer to all outstanding questions and dilemmas in Macedonia. It would also offer (?a chance to the deputies) to choose, if

they want, the constitutional law. However, this law must be adopted through a procedure that would have to be speeded up as much as possible. Nevertheless, the recommendation is that time should not be lost, that the plebiscite should be organized today, that is to say, that a decision on it should be made today, because this is the strongest argument for the international recognition of the future state. Everything else, the constitutional law or the constitution, are technical matters that could be worked on simultaneously.

As I am reporting to you, the legislative caucuses are holding negotiations. The beginning of the Macedonian Assembly session depends on when they finish their talks.

Assembly Adjourns After Disagreements

LD0508223191 Belgrade TANJUG in English 2104 GMT 5 Aug 91

[Text] Skopje, August 5 (TANJUG)—Parliamentary groups at the parliament of the Yugoslav Republic of Macedonia on Monday failed to reach an accord on the manner in which to adopt documents towards independence of the Republic of Macedonia, which was why the session was adjourned until Tuesday.

The parliamentary group of the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity (VMRO-DPMNE)—the largest single party in the parliament—demands that a constitutional law on independence of the Republic of Macedonia be adopted under summary procedure. Other deputies find it more acceptable to have a plebiscite carried out first, and then go to work on a document on independence.

The parliament's legislation and law commission and the commission for constitutional affairs continue efforts at reaching an accord by the Tuesday parliament session.

Bosnia-Hercegovina

Party Calls For 'Indivisibility' of Republic

LD0508200891 Belgrade TANJUG in English 1843 GMT 5 Aug 91

[Text] Sarajevo, August 5 (TANJUG)—The Democratic Party of Socialists of the Yugoslav Republic of Bosnia-Hercegovina (DSS BIH) on Monday assessed that any agreement between Moslems, Serbs and Croats in this republic must be founded on both their joint and individual interests, "and this is indivisibility and integrity of Bosnia-Hercegovina."

This party welcomed the announced agreement between Moslems and Serbs in Bosnia-Hercegovina, but at the same time warned that the agreement which left any room for complaint by any nation in this republic would be improper.

The initiative for an agreement between Serbs and Moslems in this multi-ethnic Yugoslav republic was launched by the opposition Moslem Bosnian Organization (MBO) and the Serbian Democratic Party (SDS).

The League of Communists of Bosnia-Hercegovina-Socialist Democratic Party (SKBIH-SDP) from Sarajevo on Monday announned that it supported the signing of an agreement between the Serbian and Moslem peoples in this republic, i.e., their political representatives—the SDS and the MBO.

The SKBIH-SDP believes that this manner of solving political problems represented the formula of the possible approach in seeking a way out of the Yugoslav political crisis in a peaceful way.

The MBO leader Adil Zulfikarpasic, as set out in Belgrade on Monday, sent a letter to President of the Republic of Serbia Slobodan Milosevic thanking him for the support and help he extended on the occasion of the announced agreement between Moslems and Serbs in Bosnia-Hercegovina.

Bosnia, Slovenia Discuss Future Cooperation

AU0508190091 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 5 Aug 91

[Text] A delegation of the Republic of Slovenia today paid a goodwill visit to Sarajevo. After the 3-hour talk in the Bosnian Presidency building, the host, Ejup Ganic, member of the Presidency of Bosnia-Hercegovina, and Dusan Plut, member of the Presidency of Slovenia, held a news conference at which they briefed the journalists on the essence of their talks. Jolanda Mikota has the details:

[Mikota] The Slovene delegation paid a goodwill mission to Bosnia-Hercegovina to establish the bridges of future cooperation. Bosnia-Hercegovina is in fact the first republic to accept the call for cooperation, Mr. Dusan Plut, member of the Slovene Presidency, told journalists. Montenegro rejected the invitation, and Serbia did not reply at all.

In the exhaustive and frank three-hour talk in the Bosnian Presidency building, the guests and hosts expressed identical views on many issues, except the future form of the Yugoslav community.

Bosnia-Hercegovina strives for an alliance of sovereign states, stressed Ganic, member of the Presidency of Bosnia-Hercegovina, while for Slovenia such a community cannot have the statemaking [drzavotvrac] character. Different political views, as pointed out, should not affect economic, technical, scientific, cultural, and other forms of cooperation. One should promote elements that links us and proceed from the minimum that we have in common.

Both sides accept the European standards concerning the solution to the Yugoslav crisis, the Brioni Declaration, and the memorandum that was not signed yesterday.

This was stated by Ejup Ganic who repeated the view that Bosnia-Hercegovina does not accept any remnant of the federation saying that he sees Bosnia-Hercegovina only in a community consisting of both Serbia and Croatia, as sovereign and complete.

Mr. Dusan Plut endorsed the statement made by Mr. Ganic, saying that he did not want anybody to go through the painful experience of a war that was waged in Slovenia and is now being waged in Croatia, and that this madness should immediately be stopped. Dusan Plut expressed the view that the reconstruction of the federation is out of the question, but that a customs union could be discussed.

As a possible solution Ejup Ganic mentioned new elections and new leaderships that would not turned toward the past much. According to Mr. Plut, in the talks on the future community, an agreement could be reached between the republics with different systems.

Regarding the memorandum that was not signed in Belgrade yesterday, both Plut and Ganic said that Europe and the citizens of Yugoslavia are disappointed and that Europe has lost all illusions. Plut also said that one could now expect economic sanctions and that Slovenia will demand a peace conference on Yugoslavia. If the war spreads, it will demand the intervention of foreign armed forces.

Today the two sides also agreed that a meeting between the Economic Chambers of Slovenia and Bosnia-Hercegovina will soon take place. This meeting would be followed by meetings between the representatives of the two republic's legislatures and governments.